

EUROPEAN NEWS

EC bureaucracy claims summit deal as its own

By David Buchanan in Brussels

The European Commission yesterday praised the summit budget deal as bearing an 'uncanny' resemblance to its own earlier proposals...

Cavaco Silva expects an Es500bn bonanza

By Diana Smith in Lisbon

THE EUROPEAN summit accord amounts to an Es500bn (£2.08bn) bonanza for Portugal, the Community's poorest member...

Lithuanian protest over Reagan 'interference'

SOVIET LITHUANIAN authorities yesterday held a meeting in central Vilnius to protest US President Ronald Reagan's call for celebrations to mark the 70th anniversary of the declaration of independence in the Baltic state...

Eta renews offer of ceasefire

By Tom Burns in Madrid

THE Basque separatist organisation, Eta, published a communiqué in the San Sebastián newspaper Egain yesterday in which it purported to make its second offer of ceasefire talks...

Broken off

Madrid, however, is understood to be considering carefully when concluding talks might take place again between government officials and Eta representatives in Algiers...

Poland set to maintain tough law on independent clubs despite promise

By Christopher Bobinski in Warsaw

POLISH authorities are dragging their feet in permitting independent clubs and associations to be set up...

Finland approaches Western Europe at arm's length

By Olli Virtanen in Helsinki

FACED WITH a decline in trade with the Soviet Union, its traditional partner, Finland must grope its way towards a closer economic relationship with Western Europe...

Two remain in race for Cyprus presidential post

Following Mr Spyros Kyprianos' defeat in Sunday's presidential election in Cyprus, Andreas Feridimos now files the two candidates left in the race

MR GEORGE VASSILIOU (58), a newcomer to the Cypriot political scene, is a candidate of many contradictions...

US-style visits for chats and handshakes to factory floors. His career in Britain included a position as economist and market researcher for the Reed group...

old leader of the right-wing Democratic Rally, by contrast, has a record of active involvement in Cypriot political life going back to 1969...

both Britain and the US for a perceived pro-Turkish bias. Having led negotiations for the Greek Cypriot side with the Turkish Cypriot leader, Mr Rauf Denktaş...

Coalition talks today in Belgium

By David Buchanan in Brussels

LEADERS of five Belgian political parties have agreed to meet today to see if they can form the Government...

ANKARA SIGNALS INTENTION TO HALT DRIFT IN ECONOMY

Turkey opts for lower growth in budget

By Jim Boddger in Ankara

CAUTION coupled with lower growth is the keynote of the Turkish Government's budget for 1988...

The 1987 budget, Turkey will repay a total of 6.3m in interest to its principal lender, a peak for foreign debt repaid in the late 1970s and early 1980s...



Omaz warned of little scope for capital investment in new projects

Greece near current account deficit target

By Carol Reed in Athens

THE GREEK Government says it has nearly achieved its aim of cutting the current account deficit sharply after two years of an economic austerity programme...

of the Government's goal of \$1.25bn. This compared with a record \$3.25bn in 1986, and \$1.7bn in 1987...

ted \$360m which had been due during the year. The Community was scheduled to pay this amount in 1988...

\$6.929bn from \$5.636bn in 1986, for a 23.9 per cent rise. Invisibles receipts totalled \$2483bn against a \$6.512bn in 1986, a 30 per cent improvement...

Honecker stands firm

By Leslie Collitt in Berlin

CONFRONTED with a rising tide of demands for reforms by East German civil rights supporters, President Erich Honecker has expressed his determination not to emulate reforms in the Soviet Union and elsewhere in Eastern Europe...

Shamir visits Italy amid tight security operations

By Leslie Collitt in Rome

ISRAELI Prime Minister Yitzhak Shamir began an official visit to Italy yesterday amid tight security and against a background of contacts between Italian and Arab leaders...

Minister, and was meeting President Francesco Cossiga last night. He was also meeting Italian Jewish leaders, who are divided into groups both supporting and critical of Israel's handling of the unrest in the occupied territories...

Two helicopters circled overhead, sharpshooters were placed on roofs and Israeli plainclothes security agents scanned the terminal with armed Italian police.

Mr Shamir held a first round of talks at the airport with Mr Giulio Andreotti, Italy's Foreign Minister, and was meeting President Francesco Cossiga last night.

Moscow court convicts icon smugglers

By Leslie Collitt in Moscow

A MOSCOW court sentenced seven men to labour camp terms yesterday for smuggling icons and other antiquities to the West, according to the official news agency Tass...

KOIVISTO RE-ELECTED ON SECOND ROUND IN ELECTORAL COLLEGE

Dr Mauno Koivisto was re-elected President of Finland yesterday for a second six-year term...

DURING the first round yesterday all voters voted for their own candidate. The opposition leader, Mr Paavo Vayrynen, was runner-up with 66 votes; Mr Holkeri had 63; the Socialist candidate, Mr Kalevi Kivistö, 54.

While other Scandinavian countries have opened their doors to immigrants and refugees from South-East Asia, Finland has accepted only a handful, and it has resisted pressure from other Nordic countries to take more.

Two years ago the Soviet Union was still Finland's main trading partner with over a quarter of the total external trade.

There are psychological barriers to the development of a more dynamic stance in foreign affairs. In line with its neutrality, Finland traditionally refrains from any criticism of foreign countries and avoids involvement in any kind of international dispute...

Other committees have been set up to evaluate Finland's participation in joint European projects and the Confederation of Finnish Industries has sent a high ranking emissary to EC capitals to promote Finland's cause.

FINANCIAL TIMES

Published by the Financial Times (Europe) Ltd, Printers: British United Newsprint Ltd, London...

1350 من الأصل

Mine damages PLO ship in Cyprus harbour

BY ANDREW WHITLEY IN JERUSALEM

A FERRY boat bought two days ago by the Palestine Liberation Organisation, to transport hundreds of Palestinian deportees and foreign well-wishers back to Israel, was damaged yesterday by an underwater mine in the Cypriot port of Limassol.

The blast was felt to be the latest in a series of warnings delivered to the PLO by the Mossad, Israel's external intelligence service, not to proceed with its plans. A day earlier three PLO officers were killed in Limassol by a car bomb.

Speaking shortly after the bomb went off on the 6,150-tonne Sol Phryne - a ship which, coincidentally, saw service during the Palestinian evacuation of Beirut in 1982 - Mr Yitzhak Rabin, the Defence Minister, said Israel had decided to prevent the PLO achieving its purpose "in whatever ways we find". Mr Rabin was addressing schoolchildren in Tel Aviv, before news of the latest attack to the PLO's intelligence service, not to proceed with its plans. A day earlier three PLO officers were killed in Limassol by a car bomb.

Earlier plans to sail from Piraeus in Greece were called off after a "whispering campaign" of threats against shipowners and crew, blamed on Israel.

The bomb attack on the Sol Phryne caused a delay in the move from Athens to Cyprus of 600 passengers and crew to embark on the PLO's boat. They had already been waiting for a week.

Israeli intelligence sources confirmed yesterday that the Mossad had recently been given instructions by the Shamir Government to go on the offensive against the PLO abroad. Special teams were said to have been sent from Israel to Cyprus and Greece to co-ordinate the counter-attack, in which the halting of the ship of return, as the PLO called it, was the top priority.

In a move that appears to be linked to the 10-week-long unrest in the occupied territories, steps are also being taken by the Israeli authorities to block the inflow of PLO funds to the West Bank and Gaza Strip.

Cash brought by individual travellers coming across the Jordan river, previously unlimited, is being restricted to the equivalent of \$600.

The attack on the ship yesterday prompted fears within the Israeli military high command that the PLO will retaliate in the occupied territories.

Egypt and Jordan yesterday urged Washington not to pursue a Middle East peace policy based on Palestinian autonomy. Prime Minister Zaid al-Rifa'i of Jordan said after talks with President Hosni Mubarak of Egypt that Jordan opposed "partial solutions" and projects dealing with self rule.

Israeli soldiers arrested

TWO ISRAELI soldiers have been arrested by military police, and more detentions are expected shortly, following the burial alive of four Palestinian youths in a West Bank village, Andrew Whitley reports.

Major Leon Mizna, in charge of Israeli forces in the West Bank, yesterday described the incident - in which a bulldozer driven by a soldier dumped earth on the four as they lay prostrate on the ground - as having gone beyond his worst dreams.

Two of the four were already unconscious when they were pulled out of the mound by other villagers, but later recovered. One suffered a broken arm.

The incident, the worst case of brutality by Israeli troops since so far, took place 10 days in the small village of Salim, near Nablus. But investigations by the army only began in earnest on Sunday after reports began to circulate in the Israeli press.

According to a local resident, a soldier told the four to lie on the ground and then ordered a colleague on a bulldozer to drive over them. When the driver refused, however he was told to cover them with earth and stones.

Mahathir gains ground in fight for leadership

BY WONG SUI LONG IN KUALA LUMPUR

DR MAHATHIR MOHAMAD, the embattled Malaysian Prime Minister, has consolidated his leadership, as a challenge from two of his predecessors appears to be losing momentum.

The 62-year-old Premier, in office for nearly seven years, received significant support from two important institutions of national government over the weekend.

Sultan Mahmood Iskandar, the Malaysian king, in an unprecedented move, came out in open support for him, and called on Malays to unite behind his government. The king's support is seen as crucial as Dr Mahathir currently has no political party behind him.

Traditionally, the king appoints as prime minister the person whom he feels has the confidence of parliament. To reaffirm he commands the numbers, Dr Mahathir received a pledge of loyalty from most MPs from his 13-party coalition.

The latest challenge to Dr Mahathir's leadership was triggered by a high court declaration that his ruling United Malaysia National Organisation was an unlawful body because of a number of unregistered branches.

Two former prime ministers, Tanju Abdul Rahman, and Tun Hussein Onn, announced they were applying to register a new party, called Umno (Malaysia) to succeed Umno, and remove Dr Mahathir from the party's leadership. Their move was supported by Tengku Razaleigh, Dr Mahathir's arch-rival, and former trade and industry minister, who lost narrowly to the Prime Minister in party elections last April.

Observers say the three opponents of Dr Mahathir appeared to have underestimated his tenacity and the power of the office of prime minister.

They say that by using his almost absolute control of the local media, Dr Mahathir has been able to portray the formation of the new party as a move to destroy Umno and create a permanent split within the Malay community.

The Malays, who form just half the Malaysian population of 16m, fear they would lose their political dominance, and their instinctive reaction is to seek protection behind the Government.

The move by the two former prime ministers appeared to have backfired and Dr Mahathir has emerged from the crisis in a stronger position.

Sudan estimates 3m will need food aid this year

BY CATHERINE BOND IN NAIROBI

ABOUT 3m Sudanese will need food aid this year, according to the Sudanese Government's Relief and Rehabilitation Commission. Most of the famine victims come from such drought-stricken provinces as Darfur and Kordofan in western Sudan, with about 250,000 officially in need of food aid in the war-torn south of the country.

In Khartoum, Dr Hag El Tayeb, deputy commissioner of the RRC, said last week that he had based his estimates on early warning information, compiled by field teams, aid agencies and regional authorities. The RRC charged with the distribution of food paid for by foreign donors.

The RRC estimates it will need 200,000 tonnes of food - Ethiopia needs 1.5m tonnes. "The situation here is different from the 1984-85 famine", Mr Chris Eldridge, outgoing director of Save the Children Fund, said recently in Khartoum. "There is enough food grown in the country to feed it."

Sudan has large, mechanised farms in the east of the country that date back to the days when former President Nimeri

saw it as the breadbasket of the Arab world. Aid money will be used to buy grain from merchants in the east and move it by road and rail up to 1,000 miles across Sudan - Africa's largest country. This problem is worsened by the current acute fuel shortage in the Sudan.

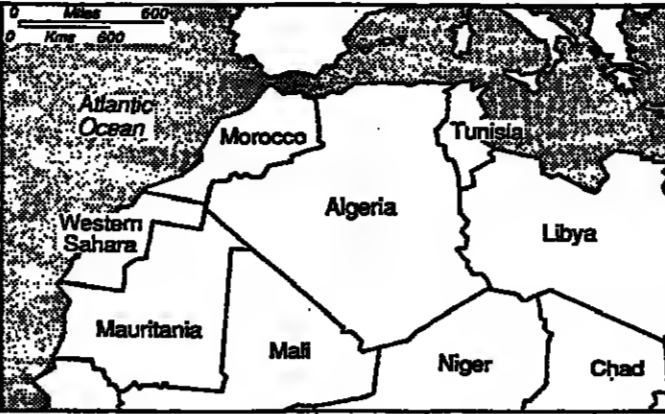
Donors such as the European Community and the US are releasing counterparty funds in Sudanese pounds for transport costs, and to purchase food. However, about 10,000 tonnes of the local staple sorghum bought by the Agricultural Bank is reported to have rotted.

The prospect of perennial famine looms on the horizon as the desert moves over five miles each year farther into northern Sudan. "To go out there now is totally devastating. Mile after mile of dead forest and blackened trees. You can actually see the desert engulfing houses, and covering them with sand," Mr Eldridge said.

Paradoxically, the Sudanese Government is relying on outside aid for famine relief at a time of increased military expenditure.

Algeria forges a fragile Maghreb union

Francis Ghiles reports on the vagaries of regional Arab relations



PRESIDENT Chadli Bendjedid's deeply-held conviction that ostracising Libya only exacerbates tensions in north Africa lies behind the flurry of meetings held over the past few days which have brought together the Algerian head of state, the new Tunisian president, Mr Zine El Abidine Ben Ali, Colonel Moammer Gaddafi and Mr Mohammed Abdelaziz.

The latter is the president of the Saharan Arab Democratic Republic, which is the political arm of the Polisario guerrilla movement which has been fighting against Morocco for the independence of the Western Sahara since 1975 and which is recognised by 70 countries.

The Algerian head of state's conviction is not shared by the Reagan Administration, which acts on the principle that Colonel Gaddafi is evil personified and should be removed. Yet the US bombing of the Libyan capital of Tripoli in April 1986 failed to topple that maverick Arab leader. Indeed, many European observers share the Algerian view that bringing into finer focus Mr Gaddafi's pan-Arab ambitions so as to produce a larger regional grouping is a policy worth pursuing.

In a recent interview Mr Chadli warned that isolating Libya could tempt his neighbours into "an alliance with the devil". This could mean the Soviet Union, the country which is the major arms supplier to both Algeria and Libya. "You cannot condemn a people because of its head of state," the Algerian leader added - a remark which is hardly complementary to his Libyan counterpart but which is also nevertheless widely shared in the Arab world.

The Algerian warning against the risk of an increase in foreign military presence in the Maghreb comes exactly 20 years after the French evacuation of the naval base of Mers El Kheir in western Algeria and may also be directed at Morocco, whose ambassador to Washington last week offered his country as an alternative base for the US F-16 strike aircraft which will have to leave their base of Torrejon near Madrid following the recent agreement between the US and Spanish governments. The royal palace in Rabat issued a strong denial but it is worth noting that some of those very same F-16s were flown to the UK before participating in the US air raid on Tripoli and that Morocco is presently locked in a bitter dispute with Spain over the rights of the fleet based in the Canary Islands to fish in Moroccan and Saharan waters.

The three heads of state who met last Monday on the Tunisian border to celebrate the bombing of the Tunisian village of Sakiet Sidi Youcef by the French air force during the Algerian fight for independence, 30 years ago, face a similar range of economic and social challenges over the next decade. These include a high population growth rate, a diminished capacity to compete with exports in the international market place, a burgeoning debt burden, an agricultural output that fails to meet consumption needs and a widening gap between the output of educated specialists and the capacity of the public sector to absorb such people.

These realities should contribute, at least in Algerian eyes, to an expansion of the treaty enclosing a non-aggression pact which was signed in 1983 with Tunisia and Mauritania. President Chadli has succeeded over the past few months in bringing about a rapprochement between Libya and Tunisia, which have recently re-established diplomatic relations, broken in the wake of the explosion by Libya, two and a half years ago, of 32,000 Tunisian workers. Tunisia needs every dollar it can earn abroad, and Libya offers work and contracts for many.

President Zine El Abidine Ben Ali and Mr Hedi Bacrouche, his Prime Minister, clearly feel the risk is worth taking.

Despite many contacts between senior Algerians and Moroccans over the past year, little progress appears to have been made. King Hassan for his part will not take kindly to the reception afforded by the Libyan leader to Mr Abdelaziz in the eastern Algerian seaport of Annaba, on the eve of the Sakiet summit.

After meeting Mr Abdelaziz, the Libyan leader spoke not a word on the Western Sahara issue but said that he expected relations with the US to improve after President Reagan had left office. He also reiterated his support for the Irish Republican Army (IRA) in its struggle "against British imperialism" in Northern Ireland, although he denied any Libyan involvement in the shipment of 130 tonnes of arms for the IRA which were found in a ship which the French authorities seized outside the port of Brest last October 30. Nor did Colonel Gaddafi rule out further Libyan involvement in Chad where his troops suffered a serious defeat last year at the hands of Mr Hissena Habre, the Chadian leader.

King Hassan's reaction to this flurry of summity and the behaviour of the Libyan leader

The Palestinian hang-gliders who last November 26 attacked an Israeli army base in northern Israel were trained in Algeria, Francis Ghiles writes. The Algerian officer who first thought up this scheme was apparently inspired by the landing in Moscow's Red Square by Mr Matthias Rust, a West German amateur pilot. Responsibility was claimed by the Syrian-backed Popular Front for the Liberation of Palestine - General Command. Last December 18, many airports in Algeria were closed. The given excuse was staffing problems of the state-owned Air Algérie company. Observers in Algiers believe that fear of Israeli retaliation was the real cause of the delays that day.

over the next few months will tell whether President Chadli's quest for a Pax Algeriana is bearing fruit. In his recent state of the nation speech he reiterated Algeria's insistence for the need for self-determination "in the Western Sahara". This he said, more in sorrow than in anger, was necessary for "the genius and energy of our Moroccan and Saharan brothers" to build a "future of peace". The capacity of Algeria and Morocco to stop what the former now calls "vain bloodletting" but which the latter has always argued is a cause of "sacred unity" will determine not just Algeria's role in the region, but the Maghreb's capacity to play a stronger hand in its relations with Europe, the Middle East and Africa.

Gas yield high in NZ oil find

THE latest series of tests on the Kupe South 3B oil field 19 miles off the South Taranaki coast in New Zealand's North Island seems set to confirm it as the country's biggest oil find, Terry Hall writes from Wellington.

However, it appears that the field is producing too high a proportion of gas, something of which New Zealand has little need with the large Maui and Kapuni fields in production.

In the third producing well of the field, weekend tests produced 1,670 barrels and 14.86m cu ft of gas compared with last week's tests of 4,400 barrels and 9.7m cu ft. Analysts suggest that on the latest tests the field may be uneconomic to develop at present oil prices.

Twelve die in Natal

Twelve people, aged between 15 and 70, were killed in one of the most violent weekends in a year-long black-against-black war raging in South Africa's Natal province. Reuter reports from Johannesburg. Police said yesterday that 10 people had died in the province on Sunday and two on Saturday.

Press in Singapore

Singapore issued press guidelines Friday which allow restricted publications to be distributed with no advertising and at cost, AP-DJ reports. Copies can be made, circulated or sold only in Singapore and must be made from a copy or copies submitted to and marked by the Ministry of Information.

ONE SCOTTISH PRODUCT IS FOUND ALL OVER RUSSIA.



Gold, or to be more precise gold hot stamping foil, is exported to Russia in very significant quantities by a Scottish-based company, George M Whiley Limited. Such is the sophistication of Whiley's foil manufacturing technology, that 70% of the company's production is exported to over 100 countries worldwide and applied to many of the finer things in life such as exquisite bookbindings, champagne tops, perfume packaging and whisky cartons. In the mid 1970s Whiley's had three factories in the London area. To compete effectively in overseas markets it needed to consolidate operations in one location and so approached various development areas with a view to relocation. In Livingston, Whiley's found a perfect base, with excellent transportation links and manufacturing and labour costs that were at least 10% lower than London. Today, George M Whiley Limited and a host of other enterprising companies find that Scotland is the ideal location from which to service world markets. To find out more about the golden opportunities in Scotland for your company call Jim Reid on Freefone Scotland, or write to the Scottish Development Agency at the Scottish Centre, 17 Cockspur Street, London SW1Y 5BL.



SCOTLAND. LAND OF OPPORTUNITY.

SCOTTISH DEVELOPMENT AGENCY, HEAD OFFICE, 120 BOTHWELL STREET, GLASGOW G2 7JP TELEPHONE 041-248 2700.

AMERICAN NEWS

Republican hopefuls vie for conservative mantle

BY STEWART FLEMING, US EDITOR, IN MANCHESTER, NEW HAMPSHIRE

"MIRROR, mirror on the wall, who is the most conservative of us all? This was the game which the three right-wing ideologues in the race for the Republican Presidential nomination, Rep Jack Kemp, Mr Pierre Dupont and Mr Pat Robertson, were playing in the debate among the party's five candidates in New Hampshire on Sunday night. One of their goals in advance of today's key Republican and Democratic New Hampshire presidential primary elections was to undermine the conservative credentials of Vice-President George Bush and Senator Robert Dole, rival Republicans suspected of having pragmatist leanings.

Vice-President whom he tries to portray as President Donald Trump's lapdog, he had at first held off from endorsing the US/Soviet intermediate-range nuclear force treaty. "You were for it before you read it," Mr Dole remarked acerbically to Mr Bush. "I wanted to read it first."



Rival right-wing ideologues: from left, Kemp, Robertson and Dupont

Bush and Dole slug it out in New Hampshire

POLL published on the eve of the New Hampshire presidential primary election shows Vice President George Bush and Senator Bob Dole locked in a statistical dead heat in the Republican primary, each commanding around 30 per cent of the vote.

Ortega brings in major economic reform package

BY CHARLES CASTALDI IN MANAGUA

NICARAGUA'S Sandinista Government has announced a series of economic measures, including a change of currency and the elimination of almost all government subsidies in an effort to rein in an increasingly uncontrollable economy.

An old strategy revived for Latin America's largest debtors

BY ALEXANDER NICOLL, EUROMARKETS EDITOR

LATIN AMERICA'S debt problems have again reached a watershed almost a year after Brazil's interest payments moratorium set them lurching along, what seemed to many an inexorable road towards widespread default and debt forgiveness.

Brazil's debts at an interest rate probably close to the US, are a constant source of market rates obtained by Mexico. The most important element, however, will be new money.

Morgan Guaranty - is acting as Mexico's agent in its bid for a four-loans offer, which could be interpreted as promoting debt forgiveness. Morgan, stressing the market-based and voluntary nature of the Mexican deal, says it remains committed to the interim agreement.

Stroessner assured of victory in disputed poll

By Tim Coome in Buenos Aires

PARAGUAY'S President Alfredo Stroessner has assured himself of another five years in office following Sunday's elections which have been widely denounced as fraudulent by opposition figures and foreign observers.

WORLD TRADE NEWS

UK minister in interest rate plea for Africa

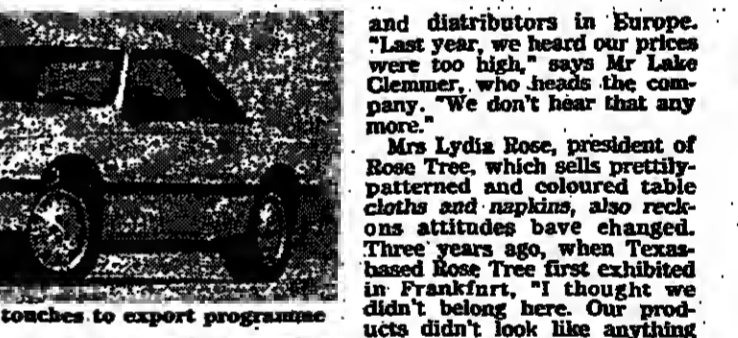
A FRESH plea for concessionary interest rates to be made available to the poorest countries in sub-Saharan Africa when their official debts are rescheduled by the Paris Club was made yesterday by Mr Christopher Patten, UK Overseas Aid Minister.

Canadian trade surplus at 7-year low

CANADA recorded a disappointing merchandise trade surplus of \$310.9bn (\$80bn) in 1987, the lowest for seven years. While last year's figure was only marginally below the \$316.4bn achieved in 1986, it confounded analysts who were looking for a much larger surplus.

Andrew Fisher on the toughest and least forgiving automotive market in the world Low dollar boosts US trade drive in Europe

MR LEE IACocca, the hard-driving chairman of Chrysler, called Europe "the toughest and least forgiving automotive market in the world."



LeBaron: Chrysler pats final touches to export programme

American trade efforts clearly still have far to go. In DM terms, annual German sales in the US of some DM55bn (mostly cars and machinery) are roughly twice the size of its imports from the country.

Midland to be Bangkok trade project adviser

THE MIDLAND Bank group said it has been appointed financial adviser to the \$100m (£65.5m) main phase of the new World Trade Centre project in Bangkok, Thailand's most ambitious commercial property development to date.

Swiss link US landing rights to aircraft buys

SWITZERLAND has linked the question of additional US landing rights for its national airline with the prospect of buying US aircraft for the Swiss Air Force, AF reports from Washington.

Japan, US face additives row

US LEGISLATORS, already fuming over a wide range of trade disputes with Japan, are up in arms over another issue: Japan's food additive labelling regulations due to go into effect on March 1.

Venezuela to pay \$72m for six DC-9s

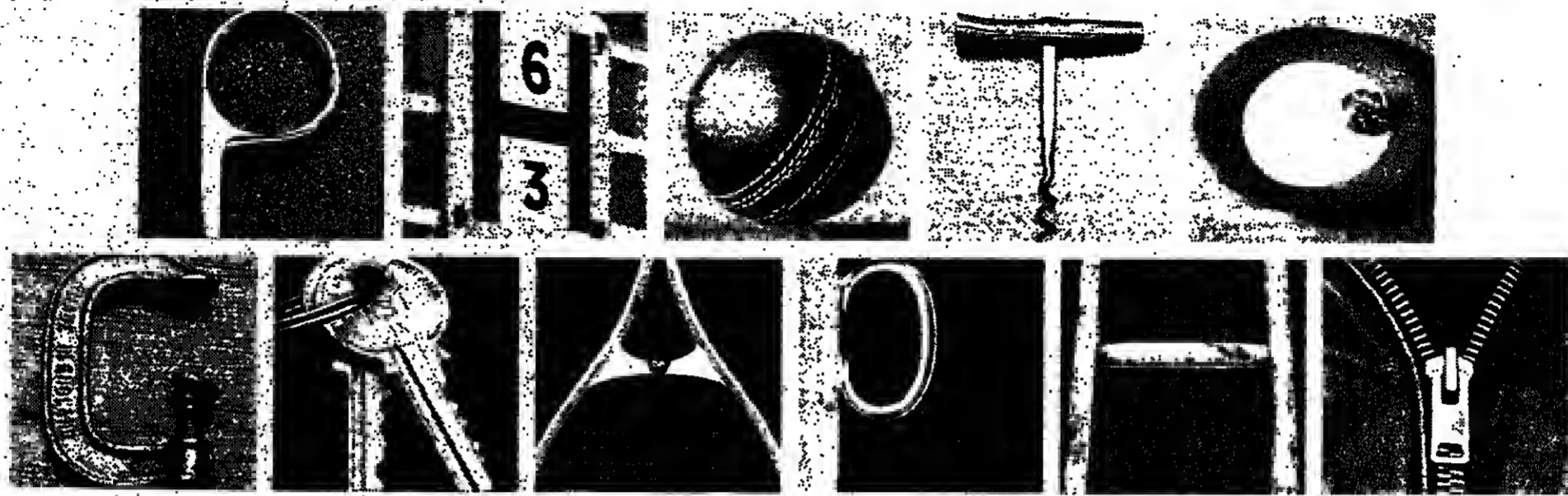
BY JOE WANN IN CARACAS

AEROPOSTAL, one of Venezuela's two state-owned airlines, plans to buy six McDonnell-Douglas DC-9s at an estimated cost of \$72m (£45m). This brings its fleet to 20 aircraft.

ings in
onomic
ckage

sured of
uted poll

Euro



ONE FAX CAN SPOT THE DIFFERENCE.

These days, most faxes print type rather well. Some faxes can even do justice to a screened half-tone photograph.

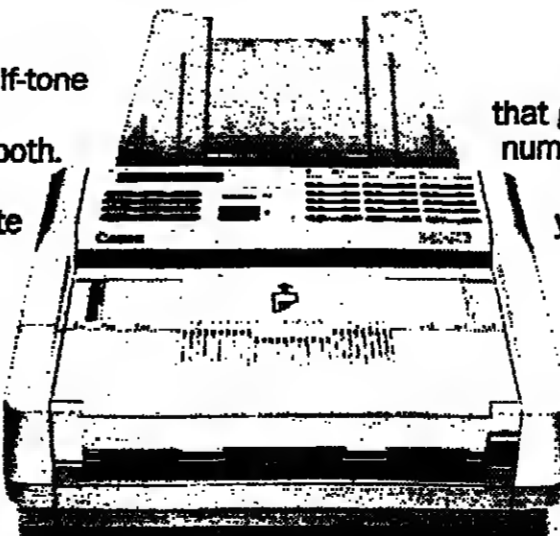
The new Canon 410, on the other hand, can do both. And at the same time.

Its remarkable CCD image scanner can differentiate between text and photography, and react accordingly. It will print type in solid black and white.

And it will print pictures in sixteen shades of grey. (Plus black and white, of course.)

It even automatically adjusts the contrast, to give you the best definition possible.

And while the Canon 410 is no bigger than a portable typewriter, it can handle paper sizes up to A3.



It can even adjust the size to suit the receiving machine. Which it can reach in 12 seconds, thanks to a memory that gives you one or two-touch dialling for up to 130 different numbers worldwide.

And should you be transmitting to a Canon 730 Fax, you can use it to relay your message on to an infinite number of destinations throughout the world.

If you'd like more details about the Canon 410, we'll be happy to oblige. If you just want the fax, we'll be happier still.

Write to Mary Drewery at Canon (UK) Ltd., FREEPOST B-8807 TG, Manor Road, Wallington, Surrey SM6 1BR. Alternatively, dial 100 and ask for Freefone Canon UK.

I F A N Y O N E C A N **Canon** C A N

UK NEWS

Court asked to enforce Cape asbestosis damages

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

AMERICAN asbestosis victims, backed financially by the US Government, yesterday asked the High Court in London to enforce damages awards totalling \$15.645m made in their favour against Cape Industries by a Texas federal judge in 1983.

The 206 victims allege that, after the settlement in 1977 of earlier asbestosis claims, in which Cape had agreed to contribute \$5.2m to a settlement fund of \$20m, the company purported to pull out of the US to avoid paying judgments it anticipated would be obtained against it by other asbestosis victims.

In reality, Mr Justice Scott was told, Cape had carried on "disguised" asbestos marketing in the US through a Liechtenstein company and, therefore, been in business there when the plaintiffs began their actions in 1978-79.

Cape is contesting the claim. Its defence includes an assertion that the Texas court had no jurisdiction over it because it was not in business in the US at the material time. It also contends that the plaintiffs

obtained their default judgments by fraud and that it would, therefore, be against English public policy to enforce the judgments.

The case is expected to last six weeks.

Mr Tom Morrison, counsel for the victims, said that the first stage of Cape's plan was the dissolution in November 1977, of its wholly owned subsidiary, North American Asbestos Corporation which had been a party to the earlier settlement.

This left NAAC with insufficient money to satisfy any future judgments in favour of other asbestosis victims at a plant at Owentown, in Smith County, Texas, operated by a Pennsylvania company to which Cape had supplied asbestos through NAAC.

NAAC's former president, Other NAAC employees worked for CPC, which had the same office, telephone number and furniture as NAAC.

The third stage was the incorporation in Liechtenstein of Associated Minerals Corporation, the shares of which, the plaintiffs alleged, were owned by Cape. Cape personnel were the authorised signatories for AMC's London bank account.

CPC was appointed AMC's agent and, the plaintiffs asserted, Cape's asbestos in the US. CPC was wound-up in 1983 with \$10m debts.

The final stage had been Cape's decision not to contest any future asbestosis claims and to allow default judgments to be signed against it.

By that scheme, said Mr Morrison, while appearing to withdraw from the US, Cape continued to be present there "in disguised form."

"In other words, we say that in reality Cape remained present in the US throughout the commencement of the actions." The hearing continues today.

In Brief

Electronic chip sales up by 15% last year

Semiconductor sales in the UK increased 15 per cent last year, helped by strong demand from the business computer market. Estimates from the Electronic Components Industry Federation put the total at \$860m in 1987, up from approximately \$740m in the previous year.

A stitch in time

Mr John Foulkes was named as the new chief executive of Corah, the knitwear manufacturer which supplies retail stores group, Marks and Spencer. Corah warned that post-halft profits had not improved as expected and forthcoming full-year results would show only a break-even position.

Toolmaker buy-out

The management of Hall and Pickles, the specialist toolmaker near Sheffield, has bought out the business from Hall Engineering of Shrewsbury for \$7m. The new business will be renamed Hydra Tools International.

Inland oil find

A new "onshore" oilfield, the third largest in the country, has been discovered in Lincolnshire. The site in the north Midlands will be developed at a cost of about \$10m by the Enterprise Oil Corporation and is expected to yield at least 10m barrels.

Travellers fears

Club 18-30, part of the International Leisure Group, has decided not to go to the UK travel industry's annual conference, due to be held in Jerusalem this year because of security fears, prompting fears of a wider boycott by major travel agents and tour operators.

Growth to slow

Britain's economic growth will slow from 4.2 per cent last year to 2.4 in 1988, but it will still be among the highest in Western Europe, the National Westminster Bank has predicted. But it said only three Western European countries - Spain, Portugal and Finland - would expand faster.

AEA Get the Facts from American Electronics Leaders

High-Tech Financial Update Coming March 7-8

Portfolio managers, analysts and other investors with an interest in U.S. high technology have a unique opportunity to meet the senior management of over 60 public U.S. companies on March 7-8 at the London Hilton.

The U.S. high-tech industry is rebounding with vigour. Profits are up and share prices for many companies appear to be at attractive levels.

This eighth annual European Financial Conference sponsored by the American Electronics Association (AEA) will attract financial investors from many European countries.

Chairmen, presidents and other senior officers will provide financial attendees with an overview of current companies, performance, marketing conditions, strategies and challenges.

Here's what you get:

Thirteen 50-minute sessions to choose from, each offering informal visits with executives who represent \$50 million to \$5 billion-plus companies.

Fully documented company profiles, plus complete financial data on each company furnished at the conference.

Meals and cocktail receptions with all participating company executives.

For further information call:

W. J. Nott-Bower

Telephone 01 480 8477

The following securities firms have joined with AEA in cosponsoring this important event:

- Alex. Brown & Sons Inc.
- Dean Witter Reynolds Inc.
- Drexel Burnham Lambert, Inc.
- The First Boston Corporation
- Goldman Sachs
- Hambrecht & Quist Incorporated
- Kidder, Peabody & Co. Incorporated

- Merrill Lynch Capital Markets
- Montgomery Securities
- Morgan Stanley & Co., Incorporated
- PaineWebber Inc.
- Prudential-Bache Capital Funding Technology Group

- Robertson, Colman & Stephens
- L.F. Rothschild & Co. Incorporated
- Salomon Brothers Inc.
- J. Henry Schroder Wagg & Co., Ltd.
- Shearson Lehman Hutton
- Smith Barney, Harris Upham & Co.
- S.G. Warburg & Company Inc.

MPs likely to debate hanging again in spring

By Michael Cassell

THE HOUSE OF Commons is expected this spring to have another chance to debate the reintroduction of capital punishment.

The opportunity is likely to arise via the tabling of an amendment to the Criminal Justice Bill, when it returns to the Commons at report stage.

Conservative MP Mr Roger Gale said yesterday that he and other Tory MPs, intended tabling an amendment to give the Commons the first chance to debate the issue since the general election.

He said the proposal to be laid before the Commons would almost certainly involve providing the courts with the right to impose capital punishment as the maximum sentence for murder. It would be left to juries to determine, when the death penalty was appropriate.

In April, a proposal to restore the death penalty for "evil" murders was heavily defeated.

Authorities win US equity tax windfall

BY ERIC SHORT, PENSIONS CORRESPONDENT

SOME 75 UK local authority superannuation funds have won a \$500m (\$171.4m) tax repayment windfall on their US equity portfolios and other US assets.

The payout results from the success of the international law firm, Jones Day Reavis & Pogue, which represents the local authorities, in negotiating an important withholding tax exemption from the US Internal Revenue Service for US investment made by UK local authority pension funds. Such funds are currently worth \$3.5bn.

Previously, only government and nationalised industry pension schemes were exempt from the 15 per cent withholding tax on dividend income, which applies in general to UK investors under the US Internal Revenue Code and the US-UK Income Tax Treaty.

Jones Day Reavis & Pogue, which has its head office in Cleveland, Ohio, has been nego-

tiating with the IRS since 1982 on behalf of UK local authorities. It has been seeking for authorities to be placed in the same category as foreign governments under the Internal Revenue Code for exemption from the withholding tax.

The first breakthrough came in 1985, when the law firm won an exemption for Kent County Council Superannuation Fund, worth \$175,000.

That test case was followed by the success of the negotiations to secure blanket recognition for all UK local authority pension funds.

The ruling will save the funds about \$20m a year in US withholding tax, while reclaiming the previous tax payments made for up to eight years. It will secure, with interest, the \$300m refund.

Mr Stephen Fiamma, tax partner with Jones, said he was pleased that the IES had accepted that local authorities should be dealt with as foreign governments.

You can borrow a name, but you can't borrow a legend.




MANDARIN ORIENTAL THE HOTEL GROUP

The legend of Mandarin Oriental was created by two of the finest hotels in the world. The Oriental Bangkok and Mandarin Oriental Hong Kong. This legend grew from a reputation for excellence in service and a dedication to providing the most elegant accommodation. Now, the essence of that legend has been captured by Mandarin Oriental Hotels in a few other select locations including Singapore and San Francisco. So it's hardly surprising that other hotels have tried to capitalise on our good name. Needless to say, though, they haven't been able to imitate the legend.

MANDARIN ORIENTAL THE WORLD'S FINEST HOTELS

Mandarin Oriental - Bangkok - Hong Kong - Jakarta - Macao - Manila - San Francisco - Singapore - The Peninsula, Hong Kong (Joint Associate Hotel)

Reservations: Your travel agent. Telex: 330707. London 020-7596123 (day fees). Frankfurt (049) 298-471. Paris 17-09 90-84-14 (off free) or direct international.



"Networking doesn't mean hooking up a lot of machines... it means connecting the best minds in my business."

Don't get us wrong. We can connect your computers. You'll have the high-speed, cost-cutting, reliable, multi-vendor, multi-network connectivity that you expect. But you'll also have a lot more. You'll have the opportunity to connect the collective genius of your company... the opportunity to harness new business ideas.

This may sound like a lot to ask from a network. But it's not... if it's a unique, programmable Telematics network. A programmable network means a network that you control to shape, move, and sell your information. A network limited only by the imagination of the best minds in your company.

Frankly, if you don't have a programmable network, you don't have the best way to make money networking.

So, turn your network into a dynamic business asset. Contact Telematics International, Fort Lauderdale, Florida. European Headquarters: ISIS House, Reading Road, Chineham, Basingstoke, RG24 0TW England 0256-467385.

TELEMATICS
INFORMATION AS YOU NEED IT

سكرا من الامل

UK NEWS

Woolworth buys third drugstore chain

By Maggie Urry

WOOLWORTH Holdings, the UK retailing group, yesterday announced it had agreed terms for a \$32m takeover of Share Drug, the 146-strong drugstore chain.

After the deal, Woolworth will have acquired all three quoted drugstore groups - Superdrug, Tip Top Drugstores and now Share Drug - within the space of a year, each with an agreed takeover price.

Woolworth told its shareholders last week that achieving leadership in drugstore retailing was a target in its plan for the next five years.

Drugstores, which sell a range of toiletries, medicines on general sale and household goods at discount prices, but which do not have pharmacies, are regarded as a growth sector of the retail market.

However, increasing competition for both market share and sites for new shops have persuaded all three groups that ownership by a larger group with greater financial muscle is preferable to difficult independence.

The purchase of Tip Top, which has 110 stores, for £13m was announced last month. Share Drug, the UK's second-largest drugstore chain, in effect put itself up for sale at about the same time.

Woolworth said yesterday that the acquisition of Share Drug would accelerate the expansion of the 345-shop Superdrug chain, bought last spring for £233m.

It would gain coverage in the South of England where it had no stores, and permit economies of scale in buying, distribution, operations and marketing.

The founders of Share Drug, Mr Alan Prince, chairman and managing director, and his wife Mrs Sylvia Prince, a non-executive director, with other directors have agreed to accept the offer for 66.7 per cent of the shares.

The terms of the deal are 305p per Share Drug share in cash or loan notes, with the option of taking a loan stock convertible into Woolworth shares worth 290.8p per Share Drug share.

The 305p offer represents a price/earnings multiple of 21.5 for the financial year to August 29, 1987. Share Drug's net assets at that date were worth £10.1m.

Share Drug's shares, buoyed lately by the bid talks, fell 15p to 300p yesterday. Woolworth shares added 3p to 263p.

ICI loses 'millions' in licence delays

By Peter Marsh

IMPERIAL Chemical Industries, Britain's largest industrial group, said yesterday it was losing sales worth tens of millions of pounds a year as a result of Government delays in licensing new crop-protection products.

ICI, one of Britain's leading agrochemicals concerns, has annual sales from these products of about £1bn. Dr Alan Hayes, chairman of the company's agrochemical division, told guests at an opening ceremony for a new ICI laboratory that the group faced profit losses worth several million pounds a year.

Mr John MacGregor, the Agriculture Minister, attending the event, said afterwards that he "shared the worries" of the industry about product-licensing.

Mr MacGregor said the Government was trying to cut delays, caused by the introduction in October 1986 of new licensing rules for agrochemicals, by increasing the number of civil servants in the area.

Dr Hayes said the launch, on the UK market, of four new ICI agrochemical products - two weedkillers, an insecticide and a fungicide - was being delayed.

In each case, he said, product information had been given to the Ministry of Agriculture, Fisheries and Food about two years ago yet the licences had not been approved.

The delays were much longer than would have existed before the new regulations were enforced as a result of the 1986 Food and Environment Protection Act, he said.

The act gave MAFF a new statutory duty to license new crop-protection products whereas this function had previously been organised on a voluntary basis.

Dr Hayes, who was speaking at the opening of a £3.5m laboratory at ICI Agrochemicals' main research centre in Berkshire, said other companies in the crop-protection industry were concerned by the problem.

Since 1986 MAFF's product-licensing division had failed to issue any licences for new agrochemical ingredients, a "shocking statistic" which was damaging competitiveness.

Later, a MAFF official disputed this element of ICI's criticism. Without commenting on the case of ICI's products, he said, the licensing division had issued "a few" licences since 1986.

British Coal in call for 10-year electricity deal

BY MAURICE SAMUELSON

BRITISH COAL wants a 10-year contract to supply the UK's power stations once the electricity industry has been privatised.

The contract, to cover most of the electricity industry's fuel needs, would run until 2001. It would start in 1991, when the present five-year joint understanding with the Central Electricity Generating Board is due to run out and when the power stations are likely to change hands.

The contract, which would likely be the biggest single energy transaction in the west, is sketched out in a British Coal memorandum to a House of Commons energy committee which is studying privatisation of the electricity industry in Britain.

British Coal, adopting unusually pessimistic terms, gives a warning of a serious threat to the coal industry and to Britain's long-term energy security unless such a contract is quickly worked out. It foresees a situation in which coal would be imported not just to coastal power stations, on the river Thames or south coast of England, but to those in the coalfields of the English Mid-

lands.

In its evidence to the committee, British Coal says that the absence of an appropriate long-term contract with the privatised electricity supply industry "could lead to the rapid and irreversible decline of the UK coal industry at a time when the UK economy was having to adjust to the decline in UK North Sea oil."

There was a risk of "sudden and significant" coal imports. "Once decisions to import significant tonnages had been taken, there would be strong pressures to increase imports further. The consumers would want to take steps as quickly as possible to open up the central power stations to large-scale imports because without these they would be vulnerable to pressure from the supplier trying to protect the revenue/market share."

With substantial investment in new import facilities imports could be raised to 25m tonnes (compared with about 1m tonnes a year at present).

British Coal said this would lead to substantial closures, job cuts and large deficits when the industry had begun to break even.

Consumer spending up sharply in January

By Philip Stephens

CONSUMER spending in Britain rose sharply last month, confounding expectations that the boom had run out of steam and heightening uncertainty over prospects for interest rates.

The Department of Trade and Industry said yesterday that sales volume in January was 0.75 per cent up on December last year. Over the last three months sales rose by 1.1 per cent on the previous three months and were over 5 per cent higher than a year earlier.

City of London economists expected a small fall in sales after the autumn surge which led to a sharp run-down in personal savings. Yesterday's figures were seen as evidence, albeit still tentative, that consumers have not responded to October's stock markets' crash by cutting spending.

They also heightened concern about the prospects for interest rates, with government bonds falling by around ¼ point within minutes of the DTI announcement.

Many economists believe that unless other economic indicators show some sign of a slowdown, Mr Nigel Lawson, the Chancellor of the Exchequer, may be forced to raise interest rates again to prevent the economy overheating.



LE GRAND HOTEL MAXIM'S IN NEW YORK.
5TH AVENUE AT 55TH STREET, YET VERY CLOSE TO PARIS.

Close to Asprey's, Cartier's and many other exclusive stores, L'Hotel Maxim's de Paris offers unparalleled convenience—with the *essence* of a great hotel in the European tradition. And its new Adrienne Restaurant is New York's only fine midtown restaurant directly overlooking Fifth Avenue.

250 luxuriously appointed rooms, including 30 suites and 82 Maxim's rooms. Furnishings, decor in Art Nouveau fashion. Deep-soaking bathtubs, marble bathrooms, telephones with two lines and bathroom extension. European concierge service, with maid service twice daily valet parking, laundry and dry cleaning service available, with one-hour pressing. Tri-level penthouse spa resort, opening

in Summer of 1988, with rooftop-enclosed swimming pool and remarkable views. Luxurious whirlpool exercise equipment, supervised exercise programs, massage, beauty treatments.

Restaurants and bars: Adrienne, Le Bistro d'Adrienne, The Gotham Lounge. Twenty-four-hour room service, banquet and meeting facilities for ten to 120 persons, including a twelve-person boardroom.

Single accommodations, \$210 to \$325. Doubles, \$225 to \$325. One-bedroom suites, \$480-\$800. Two-bedroom suites, from \$950. Presidential Suite, \$2,500.

10% commission paid promptly. All major credit cards honored. Taxes additional. All rates in U.S. dollars.



L'Hotel Maxim's de Paris, at The Gotham, 700 Fifth Avenue, New York, New York 10019
Operated by Pratt Hotel Corporation. All rates based on availability and subject to change without notice.
Represented by LRI/LAWSON in UK 0-800-282-811, in London 541-1199. Telex 21237

Gwent's longest running attraction.

The M4 is one of the big attractions of Gwent, putting London just two hours' drive away. (Less time, in fact than from most places on the south coast, for instance).

By rail, Paddington is 1½ hours from Newport, with a very frequent service.

Competitive rents make Gwent highly attractive to the businessman.

There's a stable and loyal workforce ready and waiting as well as financial help for newcomers. Plus other benefits and services too.

Find out more about one of Britain's most attractive counties by ringing the Industrial Development team on (0633) 838867. Or write to: Gwent County Council, County Hall, Cwmbran, Gwent NP44 2XF.

And you're halfway there.



OIL BOILER

When cotton yarn processors James Sutcliffe & Sons Ltd were told of the massive savings they could make by switching from oil to electricity they were, frankly, sceptical.

Ian Flint, Industrial Sales Engineer at Yorkshire Electricity Board, had taken a hard look at the oil boiler - used to provide heat for steaming cotton yarn and for space and water heating in the works canteen - and predicted substantial benefits by switching to electricity.

YEB carried out detailed tests before recommending the installation of a highly efficient electrode boiler for yarn steaming, with separate electric space and water heating equipment in the canteen.

And it's no yarn that James Sutcliffe realised their investment after just 19 weeks.

This was just one of several thousand projects tackled by Electricity Board Industrial Sales Engineers during the last year.

They could help your company in many ways: cutting energy and operating costs; improving product quality; boosting production; creating better working conditions. And they're backed by the R&D facilities of the Electricity Supply Industry.

There are very few companies indeed that can't benefit from the many electrical techniques available. And even at current oil price levels electricity brings substantial cost savings in many situations.

Fill in the coupon for more information or contact your Industrial Sales Engineer direct at your local Electricity Board.

"They thought I was spinning them a yarn when I predicted 90% energy cost savings."

To: Electricity Publications, PO Box 2, Feltham, Middlesex TW14 0TG.
 Please send me more information on ISE Service. Please arrange for an ISE to contact me.

Name _____ Position _____
Company _____
Address _____
Telephone _____

1716 **INVESTELECTRIC** Energy for Life

“Extel Financial’s Customer Support gives them the professional edge we can rely upon”

ANDREW J. WATSON
PROLIFIC UNIT TRUST MANAGERS LTD

EXTEL
financial

All you ever need to know

London: 01-251 3333
Brussels: 02-219 1607
New York: 212-513 1570



“Our bank is your friend”

The Central Foreign Currency branch of the National Savings Bank/Budapest V. Munnich F.U. 6 Tel: 172-106, Telex 227540/as well as its branches in Győr, Sopron, Keszthely, Szeged, Debrecen, Miskolc, Pécs, Szombathely, Zalaegerszeg and Kaposvár are keeping foreign currency accounts for foreigners.

The foreign currency accounts are confidential and tax free. The accounts can be kept in various currencies chosen by the account holder and deposits can be at sight and fixed for 1, 2, 3, 6, 9 or 12 months.

The interest rate of the fixed deposit does not change during the time of the fixing and it is in line with rates prevailing on the international money markets.

Cash payments and also transfers can be effected of course, in foreign currency from these accounts.

Our branches are at your service with pleasure for further details

Thatcher braves sharp criticism on Brussels deal

By Peter Riddell, Political Editor

THE EUROPEAN Community budget package agreed at the Brussels summit at the weekend was given a mixed reception by Conservative members of parliament at the House of Commons yesterday and sharply criticised by the Labour opposition.

Mrs Margaret Thatcher, however, told MPs that Britain had achieved its main objectives and had got 95 per cent of what it wanted.

In the face of Labour charges of “capitulation,” Mrs Thatcher mounted a robust defence, arguing that she had achieved a better deal than would have been available at the June community summit in Hannover.

Consumers, she maintained, would benefit through lower prices, and farmers through greater certainty about future market conditions.

The way was now clear for the community, “to concentrate on its most important goal, the creation of a genuine single market by 1992.”

Mrs Thatcher took the unusual course of quoting the view of the French newspapers, *Liberation* and *Le Figaro* and the West German *Die Welt*, that Britain had won a good deal, a contrast with criticism from the normally pro-Conservative *Daily Telegraph* in London.

The general Conservative reaction was of resignation, but unenthusiastic support, as Mrs Thatcher bemused and confused MPs with a characteristically detailed explanation. She was backed by several Tories, for emphasising the priority of achieving the single market.

The deal strongly criticised by the small group of Tory critics of the community, Mr Teddy Taylor said the rise in EC resources was an insult to

local councils and health authorities trying to keep within budget limits.

Mrs Thatcher sought to offer reassurance by repeatedly saying she would not bring proposals to the House of Commons for an increase in the community’s resources unless and until firm and legally binding regulations had been agreed.

The deal was strongly attacked by Mr Roy Hattersley, Labour’s deputy leader who argued that Mrs Thatcher had capitulated and run away by accepting a considerable rise in community resources.

Mr Hattersley surprised some Labour colleagues by attacking the plan of harmonising community regulations to permit an internal market which would do “immense harm” to Britain.

Mrs Thatcher claimed that Britain had achieved its main objectives of ensuring that any further increase in community resources must be accompanied by legally binding controls on expenditure.

She also insisted that there had to be effective measures to reduce agricultural surpluses, that there should be no oil and fats tax, and that the abatement of Britain’s budgetary contribution agreed in 1984 should be preserved in full.

In particular, she noted that the deal provided for a 3 per cent annual and cumulative reduction in the price of surplus crops for four years, if the stated threshold were exceeded.

She said the deal would mean a maximum increase in Britain’s net contribution to the community budget of £300m a year by 1992. This has recently been running at about £900m a year.

Anglo-Irish relations suffer further strains

By Michael Cassell, Political Correspondent

RELATIONS between Dublin and London under further pressure yesterday on the eve of the latest Anglo-Irish conference meeting.

It was disclosed that Sir Patrick Maynew, the UK Attorney General and Mr John Murray, his Irish counterpart, were involved in efforts to prevent extradition arrangements between the countries from falling foul of a dispute.

The problem stems from new extradition procedures initiated by the Irish parliament in December and which immediately came in for criticism from Mrs Margaret Thatcher, the UK Prime Minister. She claimed the arrangements could undermine the spirit of the Anglo-Irish accord which gives Dublin a say in the affairs of the North.

It is understood that extradition applications by the British Attorney General have not been meeting the requirements of the Irish, who say Sir Patrick has not followed the arrangements.

Land Rover workers call for strike

By Richard Tomkins, Midlands Correspondent

AN INDEFINITE strike yesterday threatens to halt production at Land Rover’s production plant in Birmingham from next weekend.

Trade unions representing 6,000 hourly-paid workers at the Leda Lane plant in Solihull called for an total stoppage from midnight on Sunday after members voted by two-to-one in favour of rejecting the company’s pay offer.

If the strike goes ahead, it will be the first at the plant since a two-day dispute in November 1981. Land Rover workers are among the highest paid in the car industry and have no record of militancy.

Mr Tony Gilroy, Land Rover’s managing director said: “Today is the saddest day of my industrial career. It puts into jeopardy all we have strived for to turn this company around in the past five years.”

A prolonged strike would hinder the Government’s plans to secure the privatisation of Land Rover along with other parts of the state-owned Rover group within the lifetime of this parliament.

Hopes for a resolution of the dispute now rest on the possibility of talks between Land Rover’s management and national officials of the five unions represented at the plant, but Land Rover yesterday repeated its assertion that the pay offer was final.

The management is offering a two-year deal which it claims would give workers a 14 per cent pay increase over the life of the agreement. The trade unions say the real increase in guaranteed basic pay would be only 8.5 per cent over the two years and want more money on the table.

Increased sales and improved productivity enabled Land Rover to report an operating profit of £7m for the first half of 1987, compared with £3m for the whole of 1986.

Mr Sam Robinson, district secretary of the transport workers’ union and chairman of the plant’s joint negotiating committee, said shopfloor workers had helped create the improved profitability and wanted a greater share in it.

The management’s offer partly comprised the consolidation of existing bonus payments into basic pay, he said. “It’s not new money. It’s robbing Peter to pay Paul.”

The management says its offer would increase basic weekly pay for the average grade hourly worker from £145.80 to £156 in the first year and £166 in the second. Attendance allowances would also rise from £7 to £8.50 a week for the duration of the two-year deal.

Land Rover acknowledges that efficiency and quality bonuses would, in part, be consolidated into basic pay.

Some of the pressure for a three-year deal has come from overseas, with Ford having last year concluded such agreements in Spain, the US and West Germany.

A three-year agreement in the UK would have synchronised negotiations in all the company’s big manufacturing centres, with the UK unions negotiating a year after their foreign counterparts.

A two-year agreement, though, could leave the company facing simultaneous negotiations in each country where it is a major manufacturer and thus vulnerable to multi-national disruption. But it would not necessarily hinder its ability to plan production.

On this point, therefore, dropping a three-year offer may depart from plans drawn up in Detroit. But it seems unlikely that it would be a disabling concession, particularly as union leaders were yesterday convinced that the decision to move to a two-year deal was sanctioned by Detroit.

The company has never said that it needed a three-year agreement to introduce its plans for radical changes to working practices. Rather it would take three-years to complete the complex task of harmonising the different terms and conditions under which blue and white collar employees work.

Central to this will be putting all workers on a common pay structure and harmonising the working week. Harmonisation would create the basis for much greater flexibility between blue and white collar, skilled and unskilled workers.

The company has previously insisted on a three-year deal for two reasons. First, to ensure it gets the harmonisation right and avoids saddling itself with a pay structure which does not allow it sufficient flexibility. Second, to push the costs of harmonisation further into the future.

Charles Leadbeater considers implications of a two-year deal

A Ford concession which would be no climbdown

If Ford says today that it is prepared to negotiate harmonisation in two years, it will be a concession but far from a complete climbdown. It would mean that skilled workers would win a pay review one year earlier than they might have done and that the working week for manual workers may fall a year earlier.

While the decision to move to a two-year deal may not seriously damage the company’s performance, however, it does cast doubt on the reasoning behind its original insistence on a three-year agreement.

During earlier negotiations it seemed the proposal must have been central to the package, because the company was prepared to ride out hostility to a three-year deal to the extent of risking a strike. But now it seems this controversial aspect of the package was disposable.

What is not clear is whether simply dropping the requirement for a three-year deal will now be enough to settle the strike.

Officials from unions representing skilled workers are well aware of the implications of the proposal, which represent semi-skilled workers, said that the company would also have to make more than superficial changes to its proposals for changes to working practices.



IF YOU WANT A WELL RUN MEETING IN LONDON MEET THE PROFESSIONALS

When it comes to conferences and small meetings, nobody does it better than Inter-Continental’s four hotels in the West End of London.

Why? Because we have the most professional and experienced conference managers in the business.

Meet Michael Flatter from the Inter-Continental London at Hyde Park Corner; Helmut Pelt from the Portman Inter-Continental; Herve Baguenard from the Hotel Britannia Inter-Continental and Chris Thompson from the May Fair Inter-Continental.

Each one of these highly trained executives, located at our four London Inter-Continental hotels, have the expertise and style to ensure your conference or meeting is managed with precision and finesse.

And each hotel guarantees you the highest quality of service and attention to detail. You can be absolutely sure you’re getting the best standards that London has to offer.

What’s more, across our four West End locations, you’ve got a wide choice of the best conference and banqueting facilities as well as ideal meeting rooms, whether you’re organising meetings for 5-50 people or a conference from 10-1000.

So if you want your next meeting to run like clockwork, don’t cut corners, go to the top and talk to the professionals. You’ll find them at any of the four Inter-Continental hotels listed below. For immediate action call our Group Conference Reservations telephone number and ask for a copy of our Conference Planners Meeting Guide.



INTER-CONTINENTAL HOTELS AGAIN AND AGAIN

Group Conference Reservations 01-847 3711

Hotel Britannia Inter-Continental
Grosvenor Square London W1A 3AN Tel: 01-629 9400

Hotel Inter-Continental London
One Hamilton Place Hyde Park Corner London W1V 0QY Tel: 01-408 3131

The May Fair Inter-Continental
Stratton Street London W1A 2AN Tel: 01-629 7777

The Portman Inter-Continental
22 Portman Square London W1H 9FL Tel: 01-486 5844

UK stand on EC tax criticised

By Richard Waters

BRITAIN’S resistance to the proposed standardisation of value added tax rates across Europe could result in trade barriers being erected against it, Lord Cockfield, vice-president of the European Commission, told a select committee of MPs at the House of Commons.

Lord Cockfield, who is responsible for the plan to bring VAT rates and other indirect taxes in the 12 member states of the European Community into line, said that countries react to the distortions in trade caused by differing indirect tax regimes by putting up trade barriers.

The Cockfield proposals form part of a plan to create a free market for goods and services in Europe by 1992. They envisage two VAT rate bands, which would allow member states choice in setting domestic rates.

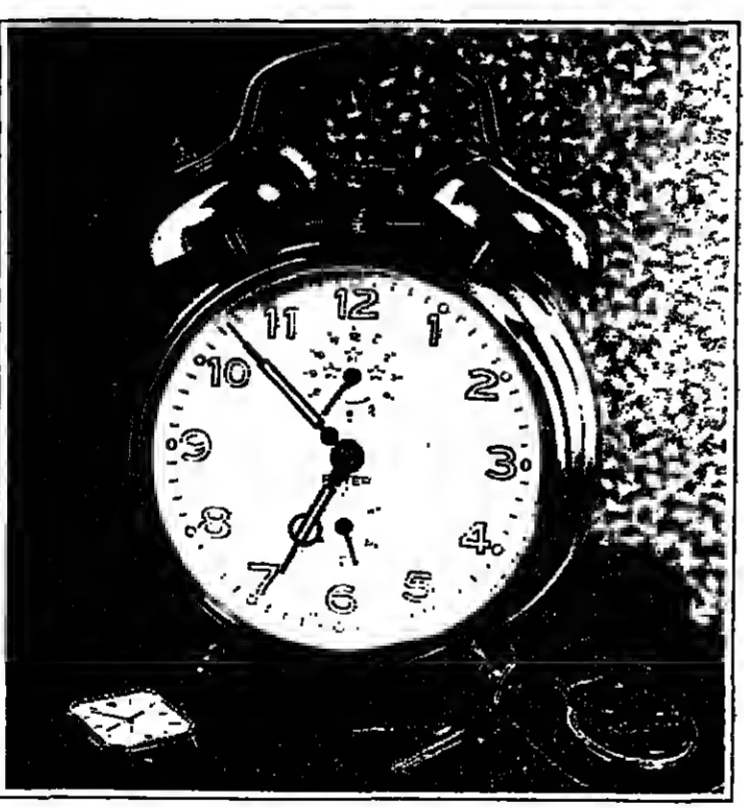
Basic goods and services like food, newspapers and fuel for heating and lighting would be charged at between 4 and 9 per cent, while other items would attract a tax of between 14 and 20 per cent.

While individual countries are free to seek derogations allowing them to opt out of parts of the plan, Lord Cockfield warned: “The UK would cut itself off from the completion of the internal market.”

Once you wake up to the fact that Metropolitan Wigan has so much to offer you’ll suddenly realise just how much your business could benefit.

A move to Wigan will give you a skilled workforce with an enviable track record, tailor made grant packages to suit you exactly – and no matter what size your business ideal premises.

Whether you’re involved in High Technology, Engineering or Manufacturing, we’ll have you set up and working quickly, efficiently and with the minimum of fuss.



When you wake up to Wigan it will make the world of difference to your business.

Now is the time to look to the future – call John Robinson, Head of Economic Development on (0942) 827166 and get all the facts – you’ll soon discover that in Wigan we’re not time wasters.

METROPOLITAN WIGAN

WE’VE GOT A LOT TO OFFER

... if you need a whether forecast!

BUSINESS & MARKET RESEARCH

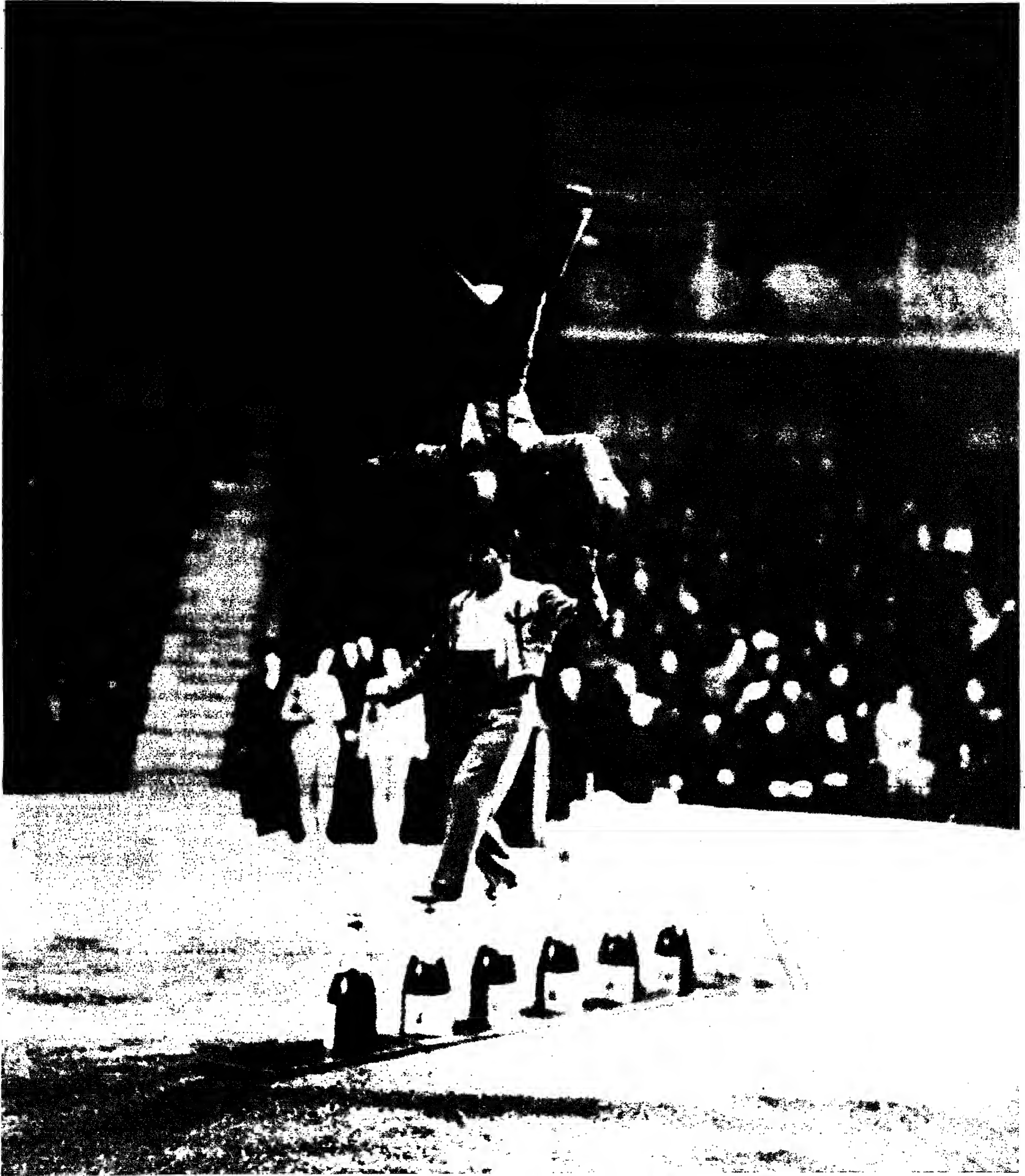
The Court, High Lane, Stockport, Cheshire SK6 8DX Telephone (0665) 65115

صكنا من الاعل

...two-year de...
...which...
...down



RUN
ON
NALS



The Touche Ross Guide to Business Responsiveness:

14. At all times taking the balanced view.

In these fast-moving days of automation, the temptation for many business advisers is to rush up with mould-breaking ideas, as if 'revolutionary' was the only acceptable currency.

There is a danger, however, when enthusiasm isn't tempered by experience.

So when Touche Ross were asked by S.W.I.F.T. (The Society for Worldwide Interbank Financial Telecommunication) to review the procedures used to maintain control and security of the S.W.I.F.T. telecommunications system, we took each step very carefully.

A computer security review implicitly involves criticism, but the key

is to strike a balance (on one hand you can't be too lenient, on the other you mustn't suggest changes that are largely impractical). And with S.W.I.F.T.'s huge network (processing hundreds of millions of financial transactions each year for 2,500 banks across 54 countries) the sheer implementation of ideas is crucial.

So the Touche Ross team comprised computer audit, telecommunications, banking software and computer security specialists. They drew on information from S.W.I.F.T. personnel, observed operating procedures, and examined paperwork by the metric tonne.

Did our final recommendations strike the right balance? With over

75 per cent of them implemented so far, we'd say so.

At Touche Ross we tackle projects larger than this - and very much smaller. If you'd like us to put our heads together on yours, get in touch.

Please telephone or write to Geoffrey Parker at our London office. You'll find us very responsive to the business problems you face.

For the sure touch, get in Touche.
Touche Ross

Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-333 8011.

Touche Ross is one of the leading firms of accountants and management consultants, with 28 offices in the UK and 488 offices in 87 countries throughout the world.

TECHNOLOGY

How Honda research runs free and easy

Carla Rapoport talks to Nobuhiko Kawamoto, head of R&D at the Japanese car and motorcycle manufacturer

"ORGANISATION is something very valuable for people who stand at the top of it. They want to know what everyone is doing or supposed to be doing. But organisation can also be very effective in killing all the ideas and creativity of people below. We require individuals to develop technology and products so we pay attention to individuals." So says Nobuhiko Kawamoto, head of research at Honda the Japanese automaker.

A gentle, soft-spoken man, he has the touch of the dreamer in him. But the fact that he is a practical man shows through as he expands on the company's research and development (R&D) philosophy, his goals for the motor car of the future and his views on today's young Japanese workers.

He is dedicated to maintaining a research thrust at Honda that is as different from its Japanese rivals as is the atmosphere throughout the company's headquarters. The offices of Japanese companies can start to blur after a few years in Japan. The visitor seems to be received in the same drab room, drink the same green tea, and see an executive dressed in the same drab suit no matter what the company. It is therefore a decided shock to visit Honda's HQ in Tokyo's fashionable Aoyama district. There, the walls undulate in parallel with the curved shape of the building. Spacious meeting rooms are decorated in soft colours with comfortable suede sofas.

But this mood is not just constructed for visitors. Honda, the fastest growing Japanese automaker, really believes that an unstructured work environment helps to stimulate creative thought.

People at Honda do not talk about consensus decision-making. Many Japanese customs, such as the use of titles, ranks and executive privileges, are discouraged. This precept goes all the way to the top. Honda directors, vice presidents and president do not have their own offices in the headquarters. Instead, when they are in town, they work at a desk in the Obeya, which means big room.

"People can use offices to hide from each other," explains a Honda executive. "This way, anyone can approach us."

The very non-Japanese informality at Honda is clearly working. Over the last few years, sales have more than tripled, with profits up by more than a factor of three. In the huge US car market, Honda now enjoys a market share of more than 7 per cent, better than Toyota and Nissan and only three points behind Chrysler.

Historically a motorcycle producer, Honda switched into economy cars in the late 1960s and 1970s. More recently, it stole a march on its bigger Japanese brethren by moving into the luxury class of motor cars with its Acura line of vehicles.

During that time, spending on R&D has been at the heart of the company's growth.

From just 2.3 per cent of sales in 1978, Honda now invests 5 per cent of sales, or more than \$1bn a year, in R&D.

As part of its research philosophy, the company adjusts salaries to reflect merit as well as seniority. The R&D department headed by Kawamoto has just three ranks for employees: ordinary researcher, assistant chief engineer and chief engineer. Last year, even these titles were changed from Japanese to their English equivalents. This immediately turned all titles into tongue-twisters, effectively eliminating their use altogether.

"In many Japanese companies, seniority comes before truth; ranking determines who is right or wrong. Here, a 24-year-old is allowed to be right," says Kawamoto. At the same time, he has determined that by age 40, an individual has reached his peak performance. If a worker is not a great engineer by 40, he is encouraged to accept a transfer to another part of the company.

"This helps us to create an environment to work freely," he says.

It is this freedom that has been essential to Honda's success in motorcycles over the years. "Cars are for transportation, but the major purpose of motorcycles is having fun. So we have a greater dependence on the rider. If we created a motorcycle which would not fall down because of electronic controls, nobody would buy it. Driving the vehicle is a skill," he says.



The open creative environment of Honda's Obeya (Big Room) and two of its successful results, the CBR600F motorcycle and new Legend Coupé. The company has recently begun to apply bike manufacturing principles to car production

This factor, plus the higher fashion element of motorcycles, has forced Honda to run hard to keep up with the trends in styling and performance. Also, production systems for new motorcycles are designed around the finished product. New cars, however, are generally made from the same production line which made the old cars.

Kawamoto, in recent years, has tried to apply motorcycle manufacturing principles to car production. "I have the label of being a very expensive man," he laughs. "I was brave enough to insist on changing the line for the sake of the customer. In the end, the money spent for changing is paying off." The latest examples are Honda's Prelude and new Civic models.

Indeed, in the second quarter of Honda's current financial year sales of the up-market Prelude increased by a factor of 2.7, accounting for

10 per cent of Honda's production in Japan.

"In the not too distant future, car buyers will be like motorcyclists. They won't buy cars in the old-fashioned way," says Kawamoto.

Keeping up with the customers demands constant travel, he says, joking that Honda executives keep Japan Airlines aloft with the amount of travelling they do. He spends a lot of time thinking about the next generation of cars. But he expects the concrete ideas for tomorrow's cars to come from his young recruits, the so-called "shinjinru", Japan's post-war baby boomers who, he says, are slowly changing the ethos of Japanese business.

"Japanese young people at work today don't see their work as the main thing in their life. The thinking and value system is getting closer to the west. It's the age of choices," he says.

When he joined Honda in



Drive to lift use of super-glued UK timber

By Chris Cookson

THE UK timber industry is setting up a new association to promote a wood technology that is widely used on the Continent and in North America but little known in Britain.

The Glued Laminated Timber Association will promote what is known in the trade as "glulam" - woodless beams manufactured by gluing together laminations of parallel slices of timber 33 mm thick. West Germany uses about twenty times as much glulam as Britain, and France uses eight times as much. Glulam is stronger than solid timber, because natural defects such as knots in the wood are distributed along the whole length of a beam rather than being concentrated at particular weak points.

In addition glulam beams can be made longer than real trees, by joining together individual laminations of that span of more than 80 metres are possible. Christopher Gill, the association's secretary, says timber manufacturers need to convince structural engineers, architects and builders that glulam is a real alternative to reinforced concrete or steel beams. Its advantages are that it is lighter and more attractive to look at than steel or concrete.

As well as promoting the market for glulam, the new association will work with the Timber Research and Development Association (TRADA) to find ways of manufacturing it more cheaply and to improve its qualities. For example by reinforcing the glued joints between laminations with carbon fibres.

WORTH WATCHING

Edited by Geoffrey Charlish

This gun gives cable layers a free hand

CABLE CLIPS, which an electrician would normally knock in with a hammer, can be installed faster with a hand-held gun from Tower Manufacturing in the UK.

In operation, the user simply positions the gun, presses a clip over the cable, and then squeezes a lever to fire the cable clip pin home.

As the gun is withdrawn, the next clip appears ready for use. The unit's magazine holds 20 clips (in a choice of two sizes) and it can be re-filled in seconds.

Tower claims that as well as saving one third of the time for long runs of cable, the results are superior because neither cable nor clip can be damaged by mis-directed hammer blows. In addition, one hand is always free for the operator to position the cable properly.

Chips tailored for in-house production

APPLICATION-SPECIFIC integrated circuits (ASICs) can be manufactured in-house by any electronic equipment company prepared to spend \$3m on a system from Lasa Industries of San Jose in California.

ASICs start with pre-produced "gate arrays". These are relatively cheap silicon chips with multiples of the basic electronic components laid down, but no interconnections.

The Lasa Industries machine makes connections automatically. It accepts computer-aided design data and uses it to control the motion of a laser beam. The process takes place in a chamber containing a gas which, when locally heated by the moving beam, lays down a trail of circuit metal.

To allow complexity, the machine puts two layers of tracks, separated by glass insulation, and interconnects them by means of holes through the glass. The chip is hermetically sealed.

The process takes from an hour or two to 10 minutes, as opposed to weeks by conventional ASIC techniques. Mass-produced standard chips need very expensive multiple processing by semiconductor companies. "Custom" chips can fall into this category too - they are simply a single design for a single company. A common need today, however, is for a much smaller number of chips (down to a few hundred) that can be quickly designed and produced, allowing exclusive new products to be introduced ahead of competitors.

Mixing business turned inside out
AN UNUSUAL mixer, developed by The Fluid Engineering Centre in the UK, is to be manufactured by APV Chemical Machinery Company in Scotland.

Called Nimex, the system mixes the contents of a sealed container quickly by means of externally applied vibrations that induce internal flow. The mixer is particularly suitable for products that must be blended in conditions as near sterile as possible, or where settlement or air entrainment may occur.

CONTACTS: Tower Manufacturing, UK, 0905 286012. Quodtronics: The Netherlands, tel: 07660. Lasa Industries: US, (408) 298-6272. Fluid Engineering Centre: UK, 0234 780422.

NOTICE OF REDEMPTION AND TERMINATION OF CONVERSION RIGHTS

SAKAI HEAVY INDUSTRIES, LTD.

(Sakai Jukogyo Kabushiki Kaisha)

U.S. \$15,000,000

5 1/4 per cent Convertible Bonds Due 1996 (the "Bonds")

NOTICE IS HEREBY GIVEN that, in accordance with the provision of the Trust Deed dated 29th December, 1981 between Sakai Heavy Industries, Ltd. (the "Company") and The Bank of Tokyo Trust Company as Trustee and Condition (B) of the Conditions of the Bonds, the Company has elected to exercise its right to, and shall, redeem on 25th March, 1988 all of its outstanding Bonds at a redemption price of 100 per cent, and shall, redeem on 25th March, 1988 all of its outstanding Bonds at a redemption price which will amount to U.S. \$115.80 per U.S. \$5,000 principal amount of the Bonds.

The payment of the redemption price and accrued interest will be made on and after 25th March, 1988 upon presentation and surrender of the Bonds, together with all coupons appertaining thereto as Principal Paying Agent for the Bonds, in New York City, 100 Broadway, New York, New York 10005 or at the principal office in the cities indicated below of any of the following Paying Agents:

The Bank of Tokyo, Ltd., The Industrial Bank of Japan, Limited and The Industrial Bank of Japan, Limited in Singapore, The Bank of Tokyo, Ltd., The Industrial Bank of Japan, Limited and The Industrial Bank of Japan, Limited in Hong Kong, The Bank of Tokyo, Ltd., The Industrial Bank of Japan, Limited and The Industrial Bank of Japan, Limited in London, The Bank of Tokyo, Ltd., The Industrial Bank of Japan, Limited and The Company of New York in Brussels and The Bank of Tokyo (Luxembourg) S.A. in Luxembourg.

The Bonds may be converted into shares of Common Stock of the Company at the conversion price (with Bonds taken at their principal amount) into Japanese Yen at the rate of Yen 220 equals U.S. \$1) of Yen 647.50 per share of Common Stock. The Company's Common Stock is issuable only in lots of 1,000 shares or integral multiples thereof. A cash adjustment will be paid for any fraction of a lot.

Each Bondholder who wishes to convert his Bonds should deposit his Bonds, together with all unexpired coupons, with any of the Conversion Agents being the same as the Paying Agents specified above, accompanied by a notice of conversion (the form of which is available from any of the Conversion Agents). SUCH CONVERSION RIGHTS WILL TERMINATE AS TO ALL BONDS AT THE CLOSE OF BUSINESS ON 25th March, 1988.

For the information of the bondholders, the reported closing prices of the Common Stock of the Company on the Tokyo Stock Exchange during the period from 16th December, 1987 to 29th January, 1988 ranged from a high of Yen 890 to a low of Yen 750. The reported closing price of such shares on the Tokyo Stock Exchange on 29th January, 1988 was Yen 750 per share. The aggregate principal amount of the Bonds remaining outstanding as of 29th January was U.S. \$1,000,000.

Each Bondholder who wishes to convert his Bonds should deposit his Bonds, together with all unexpired coupons, with any of the Conversion Agents being the same as the Paying Agents specified above, accompanied by a notice of conversion (the form of which is available from any of the Conversion Agents). SUCH CONVERSION RIGHTS WILL TERMINATE AS TO ALL BONDS AT THE CLOSE OF BUSINESS ON 25th March, 1988.

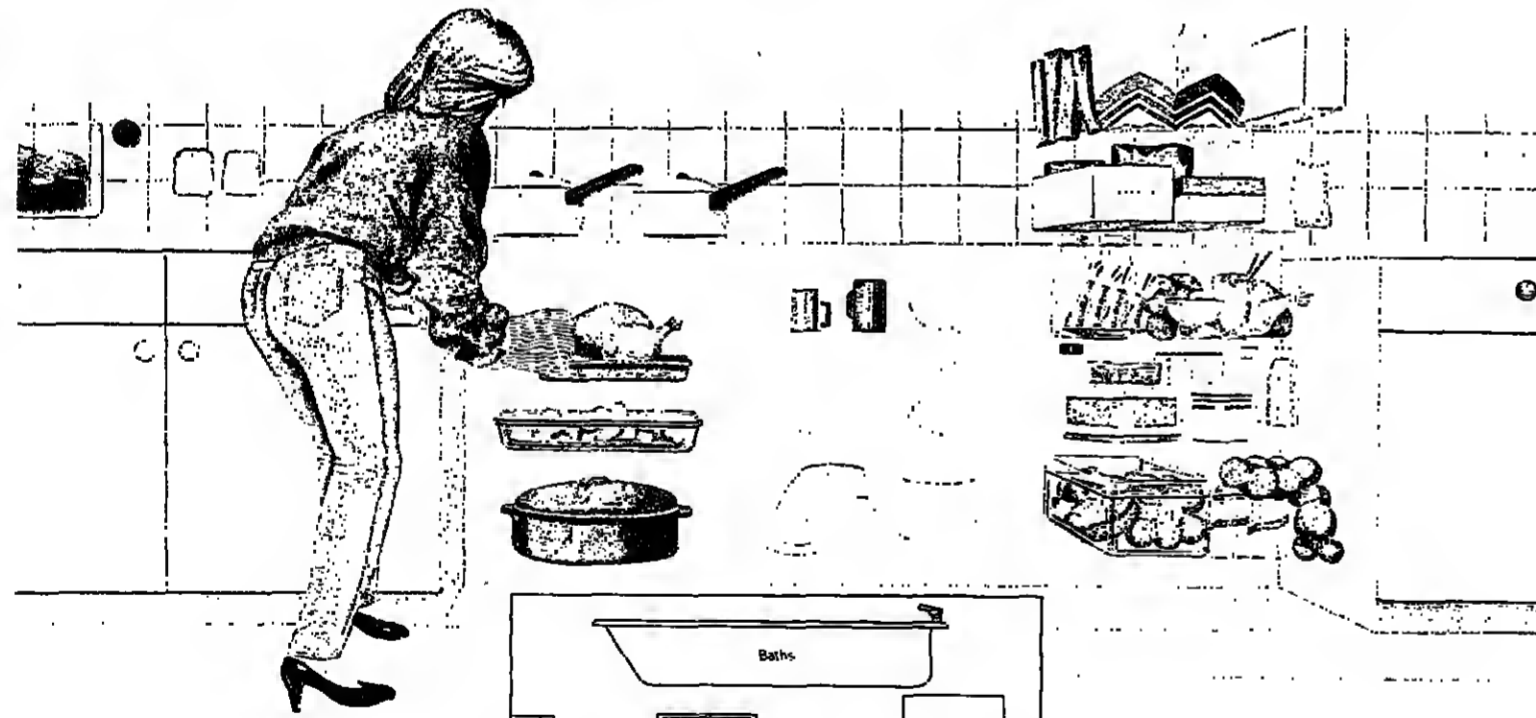
For the information of the bondholders, the reported closing prices of the Common Stock of the Company on the Tokyo Stock Exchange during the period from 16th December, 1987 to 29th January, 1988 ranged from a high of Yen 890 to a low of Yen 750. The reported closing price of such shares on the Tokyo Stock Exchange on 29th January, 1988 was Yen 750 per share. The aggregate principal amount of the Bonds remaining outstanding as of 29th January was U.S. \$1,000,000.

SAKAI HEAVY INDUSTRIES, LTD.
By: The Bank of Tokyo Trust Company
as Principal Paying Agent

Dated: February 16, 1988



People would miss us if we weren't around.



BSC Strip Mill Products may not exactly be a household word. But we're in pretty well every household in the land.

With the advanced steels and steel composites that make modern living possible. In the bathroom, British Steel's **Vestel** is at the heart of up-to-the-minute vitreous enamelled baths in all shapes, sizes and colours: baths that (unlike acrylics) won't crack, split or throw a wobbly.

And in the kitchen, where would appliance designers, manufacturers and housewives be without us?

Zalutite, the new zinc/aluminium alloy coated steel composite, offers heat-resistance up to 315°C for cooker components and 'hot' appliances like toasters and coffeemakers.

Galvatite hot-dipped zinc coated steel has exceptional resistance to atmospheric corrosion which makes light of fridge and freezer and cooker components.

Zintec, the electro-zinc-coated steel, can retard corrosion. Its first class paintability is appreciated by the makers of white goods and electrical appliances.

Colorcoat pre-painted steel is the smart way to make casings for a whole range of white goods.

And **Stelvetite**, the vinyl-laminated composite, offers a range of pattern and woodgrain finishes for appliances from microwaves to hostess trolleys.

Today's British Steel means best standards of quality, consistency and productivity.

With a range of sophisticated new-generation steels. Backed by unmatched technical support and fair-dealing customer service.

HOT ROLLED - COLD REDUCED - GALVATITE - ZALUTITE - ZINTEC
TENFORM - TENBOR - VESTEL - TERNE - COLORCOAT - STELVETITE
BSC Strip Mill Products, PO Box 10, Newport Gwent NP23 0XN Telephone 0633 290022 Telex 447501

BSC Strip Mill Products. The steels for industry.

سكاي هيفي انداستريز

Drive to
ift use of
uper-glue
K timbe



Knock Knock

Who's there?

Grand Metropolitan. In its 25 years Grand Metropolitan has acquired and built a great many companies and businesses that have considerable property value.

Over £2 billion worth, in fact. And it takes a lot of expertise in active property management to keep building on a foundation like that.

Especially when most of that value is split between 8000 different properties, varying from large hotels to small retailing outlets, all of which need continual review.

Take the Bull at East Sheen. It was a massive pub; old fashioned and difficult to run.

Bulldozers were taken to the Bull. In its place there will be three shops, already promised to major retailers, three flats, a new Bull, better equipped to serve the local needs and 42 car spaces.

So the property function is more than just acquisition. It's building, refurbishing and upgrading to ensure that the best possible use is made of every property.

There was a Grade II listed house on the Webster's Brewery site in Halifax. Dated 1637 it had seen better days. To Grand Metropolitan's property experts it was a tragic waste and a challenge. It is now a conference centre and a brewery museum. Lovingly restored in every detail, this year it won a restoration and conservation award from the Stone Federation.


Grand Metropolitan is now one of the UK's largest, most broadly based international companies. Its strengths are Specialist Retailing, Drinks, Food and Hotels & Gaming. By building on these strengths it is succeeding in more countries and with more customers.

And it is still growing rapidly.

Which isn't surprising. Its philosophy is, after all, to develop and add value to all its brands, businesses and properties.

In fact, wherever you go in the UK and in most parts of the world you'll find a Grand Metropolitan door to knock on.

GRAND METROPOLITAN

...adding value 



Businesses For Sale

DIVERCO Sell Companies Nationwide

SELLERS and BUYERS Contact in confidence DIVERCO LTD.

RECRUITMENT AGENCY Established executive recruitment business, Central London.

FOR SALE Private Limited Company with a 36 bedroomed hotel, which has plans for a small extension situated in the centre of Glasgow.

SCOTLAND SUPERB HOLIDAY LEISURE COMPLEX IN POPULAR HOLIDAY AREA 40 ACRES

FULLY EQUIPPED FACTORY Ipswich Area. 2320 sq ft factory unit fully equipped for sheetmetal working.

NORTHERN HOME COUNTIES Specialised Light Engineering Company. Turnover £550,000.

RETAIL SECTOR SYSTEMS HOUSE For sale. Well established and long standing with state of the market.

Packaging Merchants for Sale. T/O 86/7 £1.4m. 87/8 £1.9. Owner retiring.

INTERIOR LANDSCAPING Profitable company based in the South of England engaged in providing specialist and best interior landscaping to commercial organisations.

WASTE PAPER MERCHANTS North West Turnover £200,000 Profitable Poly-Substrate Grades Long Lease on Premises Potential for Further Growth.

WATER CONDITIONING SUPPLIES & ENGINEERS S.E. England Good product range. Turnover in excess of £450K p.a.

Successful Entrepreneur with big and small company experience offers his services to develop a growth business or solve financial problems.

Plastic Injection Moulding Company In Home Counties For Sale Trade Moulders Turnover In Excess Of £1.5m.

SPECIALIST PACKAGING COMPANY £500,000 turnover business with favoured south coast location

Profitable Tube bending business with £250,000 turnover for sale. Large tooling inventory and customers throughout UK

For Sale OFFSHORE BANK Option Company Box 101523 Nashville, Tenn. 37210

Imposing Detached Victorian House In the growing Sussex town of Hastings. Ideal small hotel/Guest House with planning, scope for conversion in first year order.

FOR SALE - Accountancy Practice, Gross recurring fees £90,000. Central London area. Reply to Box H3106, Financial Times, 10 Cannon Street, London EC4P 4BY

FINANCIAL APPOINTMENTS LTD This useful name for sale £4,000

A FINANCIAL TIMES INTERNATIONAL CONFERENCE TECHNOLOGY IN THE INTERNATIONAL SECURITIES MARKETS Inter-Continental Hotel, London 24 & 25 March, 1988

For information please return this advertisement, together with your business card, to: Financial Times Conference Organisation 126 Jermyn Street, London SW1Y 4LU

Businesses Wanted

DESIGN TECHNOLOGY • DESIGN TECHNOLOGY • DESIGN TECHNOLOGY A major international electronics company is expanding its range of Customer Service. As part of this Expansion Programme, this company needs to acquire these following facilities in an aggressive timescale:

- PCB Design
Mechanical Design
Electronic Design
ASIC Design

If your company fits any, or all of these areas, and you are interested in becoming part of our organisation, then please send details immediately to:

Box Number H3103 Financial Times 10 Cannon Street London EC4P 4BY

Horticultural Equipment Distribution Our client, a market leader in the importation and distribution of professional horticultural equipment, is a subsidiary of a quoted PLC.

ADVERTISING/P.R./ SALES PROMOTION AGENCIES and other marketing services businesses required. Quality clients. London based. T/O £0.5m - £12m capable existing management.

SECURITY COMPANY WANTED Small to medium size. Location SOUTH EAST. Electronics design capability and NSCIA membership preferred.

Non-Core Manufacturing/Engineering Activities Company seeks contact with Major Companies wishing to dispose of Non-Core activities suitable for relocation to Bristol.

STAIRCASES Well established private company-went to acquire outright or acquisition of majority shareholding in Spiral Staircases/Stairways Timber Staircases Manufacturing Company.

Business Services

SERVICE LOW-COST CONTRACT HIRE CAN ONLY MEAN ONE THING. With contract hire you are buying a service, not simply the use of a vehicle. So it pays to look behind the rental rates. At Camden, we don't cut corners. Take our new FLEXITEM contract. It provides unrivalled flexibility over when you terminate your agreement, without financial penalties.

Why wait for payments? Poor cashflow is the inevitable result of late payments. Arbutnot Commercial Services gets your business moving by offering cash advances of up to 80% against your invoice totals.

- Non-recourse factoring: Provides 100% credit cover, sales ledger administration, debt collection.
Recourse factoring: Similar to non-recourse, but without credit cover.
Invoice discounting: A confidential facility which gives you complete control over your sales ledger.
International factoring: Credit cover and cash advances on foreign transactions.
International finance: Letter of credit facilities, merchandising etc.

YOUR PERSONNEL PROBLEMS SOLVED We offer a comprehensive range of services which have provided the solution to all types of personnel problems incurred by organizations undergoing expansion and contraction.

CORPORATE DEVELOPMENT Lawyer, Ph.D in Business Administration, 10 years head legal department major U.K. multinational; extensive experience of corporate strategy, mergers, acquisitions, joint ventures, international trade; seeks non-executive directorships or would work with established management consultants on specific projects.

LIMITED COMPANIES U.K. and International Isle of Man & Non-Resident EXPRESS COMPANY REGISTRATIONS LIMITED

CLASSIFIED ADVERTISEMENT RATES Table with columns for Per line (min. 3 lines) and single col cm (min. 3 cms) for various categories like Appointments, Commercial and Industrial Property, Residential Property, Business Opportunities, Businesses For Sale/Wanted, Personal, Motor Cars, Travel, Contracts, Tenders.

MRA MARKETING RESOURCE ASSOCIATES U.K. EXPORT MARKETING PRACTITIONERS RESEARCH STRATEGIC PLANNING FULL BUSINESS DEVELOPMENT

COMPUTER SYSTEMS If you are thinking about upgrading your system then we can probably help you. We are a firm of computer accountants specialising in system implementation at realistic prices.

AMERICAN EXPORT CONTROLS IN EUROPE Has your company had business curtailed, restricted or denied through the use of US high tech. export controls in Europe? A number of legal actions are now under way in the UK and elsewhere which may result in significant redress for those affected individuals and companies.

EXPORT Export sales: Capital goods-services start up - implementation. Fee/commission - short/long term. Mytek - 0702 586621

THE CUKUROVA REGION OF TURKEY

The Financial Times proposes to publish this survey on: Monday 29th February 1988 For a full editorial synopsis and details of available advertisement positions, please contact: Mr. Ciro Costante, Telephone Istanbul 5221304 or 5277064 or Chris Schaanning on 01-248 8000 ext 3699

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

Enterprise zone affects rates

CLEMENT v ADDIS LTD House of Lords (Lord Keith of Kinkel, Lord Elwyn-Jones, Lord Brandon of Oakbrook, Lord Oliver of Aylmerton and Lord Goff of Chieveley): February 11, 1988

THE CLOSE proximity of an enterprise zone and its effect on local rents is a factor to be taken into account by the valuation officer when revaluing the rates of a factory just outside the zone.

The House of Lords so held when allowing an appeal by Addis Ltd from a court of appeal decision that the consequences of having an enterprise zone close to its factory were not to be taken into account by the valuation officer in determining the factory's altered rateable value.

Section 20 of the General Rate Act 1967 provides: "(1) For the purposes of any alteration of a valuation list...in respect of a hereditament in pursuance of a proposal...the altered value...shall not exceed the value which would have been ascribed...if the hereditament had been subsisting throughout the year before that in which the valuation list came into force, on the assumptions that... (a) the hereditament was in the same state as at the time of the valuation...and (b) the locality in which the hereditament is situated was in the same state...as at the time of valuation."

LORD KEITH said that a factory occupied by Addis lay a mile to the south of an area designated by the Secretary of State for Wales as the Lower Swansea Valley Enterprise Zone.

The government's purpose in setting up enterprise zones was to encourage industrial and commercial activity in run-down areas by the removal of certain tax burdens and the relaxation or speeding up of certain statutory and administrative controls. Benefits ran for 10 years and included exemption from rates on industrial property (see Clement v Addis (1984) RA 137, 139-140, Lands Tribunal).

One result of setting up the Lower Swansea Valley Enterprise Zone had been to depress rental values of industrial premises outside but near the designated area. That was because it was substantially more attractive to operate inside the area.

The rateable value of the Addis factory was £36,500 if the consequences of the enterprise zone were taken into account, and £45,000 if they were not.

The question was whether, on a proper construction of section 20 of the General Rate Act 1967, it was proper to take those consequences into account in determining the rateable value of the property.

The local valuation court and the Lands Tribunal decided that the consequences of the enterprise zone were to be taken into account. The Court of Appeal took the contrary view. Addis appealed.

The principal enactment prescribing the manner of valuation was section 19 of the Act. One of the features of valuation under section 19 was that the hereditament was to be valued in its actual state (rebus sic stantibus) at the date of the valuation, with all the advantages and disadvantages which it then possessed.

If the factory were to be valued under section 19 alone as at the date of Addis's proposal, the disadvantage it suffered through being outside

but close to the enterprise zone would be a factor to be taken into account. However, the proposal, which was made under section 69 of the Act, was for an alteration to the valuation list. The effect of section 19 on such a proposal was modified by section 20.

By section 20 the valuation was not to exceed the value which would have been ascribed to the factory had it existed throughout the year before the valuation list came into force. The principal purpose was that where a hereditament was valued or revalued in the year after the valuation list came into force, the value was to be at the same general level as the original list. That avoided injustice resulting from inflation involving a general increase in rental values.

Section 20(1) provided that certain matters affecting the hereditament when the valuation was actually made, were assumed to have existed at the earlier time. Those matters were specified in paragraphs (a) and (b).

The question was whether the operation of section 20(1) was restricted to the application of the rebus sic stantibus rule, so as to exclude some factors which would have been taken into account if the valuation had been under section 19 alone - in particular the effect of the enterprise zone.

The valuation officer argued that "state" in paragraphs (a) and (b) of section 20(1) was intended to cover only physical factors affecting the physical enjoyment of the hereditament or other premises in the locality. Addis contended it also covered advantages and disadvantages arising from primary or secondary legislation.

The broad purpose of section 20 was that a hereditament valued after the coming into force of a valuation list, should be valued on the basis of the general level of values prevailing when the list was made up. There was no apparent reason for disregarding any of the circumstances which would ordinarily be taken into account under the rebus sic stantibus rule.

If any of the circumstances were to be disregarded the result would be artificial. The expression rebus sic stantibus raised the concept of a certain ascertainable state of affairs. It involved no undue straining of language to conclude that when paragraph (a) referred to the hereditament being "in the same state as at the time of the valuation", it meant that the whole state of affairs affecting the hereditament was to be assumed to be the same, at the time of the coming into force of the last valuation list, as it was when the valuation was being made. The rebus sic stantibus rule would be applied to its full extent.

Since there was no readily perceptible reason for limiting the application of the rule, "state" should be given a wide construction, so as to include intangible as well as physical advantages. On a proper construction of section 20 the effects of the enterprise zone on the value of the Addis factory were to be taken into account. The appeal was allowed. Their Lordships agreed. For Addis: Guy Roots (McKenna & Co) For the valuation officer: W. Glover QC and D.R.P. Mole (Solicitor, Inland Revenue)

By Rachel Davies Barrister

MANCHESTER AS A FINANCIAL CENTRE

The Financial Times proposes to publish this survey on: Wednesday 20th April 1988 For a full editorial synopsis and details of available advertisement positions, please contact:

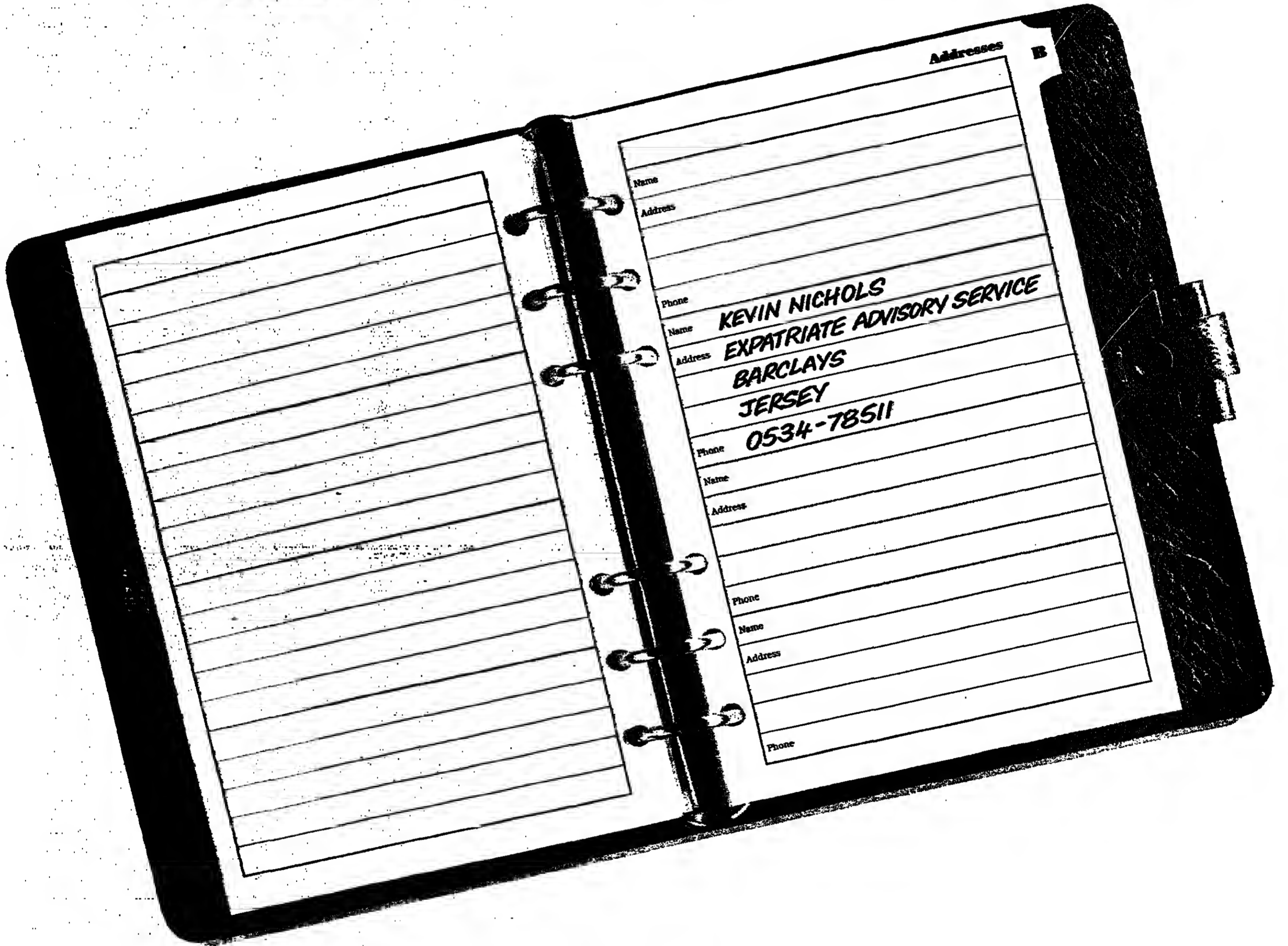
BRIAN HERON on 061-834 9381 or write to him at: Alexandra Buildings, Queens Street Manchester M2 5LF Telex: 666813

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

صوتنا من الامم

EXPORTS
e zone
rates

WHEN YOU ARE WORKING ABROAD, MAKE SURE YOU'VE GOT THE RIGHT CONTACTS.



When you're working in Britain, you're unlikely to need the advice of an expert in offshore tax-efficient investment.

But as soon as you become an expat working abroad, the situation changes. In fact, you'll find it hard to manage without one.

That's why you should talk to Barclays Expatriate Advisory Service in Jersey. Because we can help with all the financial aspects of working

abroad, in particular with the investment of income and capital.

So whether you want a tax-efficient deposit account, or multi-currency transactions or someone to deal with any other financial problem, you will find a personal banker in Jersey one of your most useful contacts abroad.

Just give Kevin Nichols a ring. And keep our number in your address section.


Surname Mr/Mrs/Miss: _____

Forename(s): _____

Address: _____

Tel: Home _____

Business
Kevin Nichols, Expatriate Dept. 1D, PO Box 435, 13 Library Place, St. Helier, Jersey, Channel Islands. Tel. 0534 78511.

 **BARCLAYS**

EXPATRIATE ADVISORY SERVICE

DEPOSITS MADE WITH OFFICES OF EITHER BARCLAYS BANK PLC IN JERSEY OR BARCLAYS BANK FINANCE COMPANY (JERSEY) LIMITED, P.O. BOX NO. 191, 29/31 THE ESPLANADE, ST. HELIER, JERSEY ARE NOT COVERED BY THE DEPOSIT PROTECTION SCHEME UNDER THE BANKING ACT 1979. THE PAID-UP CAPITAL AND RESERVES OF BARCLAYS BANK PLC EXCEED £2,600 MILLION. THE PAID-UP CAPITAL AND RESERVES OF BARCLAYS BANK FINANCE COMPANY (JERSEY) LIMITED EXCEED £21 MILLION. LATEST AUDITED ACCOUNTS AVAILABLE ON REQUEST MGR. JOHN LAWSON.

Grand Palais, Paris/William Packer

Degas drawn before our eyes

The remarkable study of the life of Edgar Degas now at the Grand Palais in Paris (until May 16, closed on Tuesdays), presents an opportunity unique in Europe...

The whole exercise, furnished with a compendious catalogue of weighty scholarship, has been in preparation since the early 1980s and is the fruit of close collaboration between the National Museums of France, the National Gallery of Canada in Ottawa...

Edgar Degas was a contradictory and complex man: irascible, witty, reclusive, urbane, a man of the world who gave himself entirely to his art...

Degas died in 1917 at the age of 83, having been virtually inactive as an artist since about 1910. Thus this show covers all phases in a career of some 60 years...



"Dancers at the Bar," pastel on paper, by Degas

final gallery. No matter: a line must be drawn somewhere and these are, in any case, subjects that have been given definitive treatment recently...

These later works in oil and pastel, with their recurring, insistent images of girls washing and drying themselves, doing their hair, of dancers resting, flexing, stretching themselves...

of conscious rejection and a fresh start, but rather a continuity and a steady, natural evolution in the work, unforced and unselfconscious. It is a continuity of which Degas himself was fully, if ironically, aware...

when he was looking to Ingres, to the neo-classicists and to the old masters, embarking upon such grandiose Salon subjects as Semiramis building Babylon or the extraordinary 'Incident of War in the Olden Time'...

Degas is the most intimate, transparent and accessible of the great masters, for it is always through drawing that the inner processes of the work is directly revealed. We are at his shoulder as the brush or crayon is put to the surface, and the mark made...

Degas had an entirely proper estimation of his own worth and standing among his peers. 'If Veronese landed on the banks of the Seine,' he said, 'it would not be to Bouguereau, but to me, that he would turn.' Indeed, in lapidary inscriptions...

Europas 1 & 2/Frankfurt

Andrew Clark

It was fairly predictable that someone, somewhere, would ask John Cage to write an opera. The commission finally came from Frankfurt, where Cage, now aged 75, has just seen his Europas 1 & 2 staged...

Cage has raided the library of the Metropolitan Opera, established which operas have run out of copyright, and asked 17 members of the Frankfurt ensemble to select their favourite arias...

The music and stage action are regulated not by a conductor, but by digital clock, visible on video screens in the auditorium, on stage and in the pit...

so the exact length of the performance is fixed to a second. But so many disconnected strands of music are being heard simultaneously - often disrupted or overlaid by amplified tape noises...

Reactions have been mixed. Most of the audience stayed till the end - after all, Frankfurt is not exactly new to experiment. Some critics found the show an original exercise in separating the components of traditional opera...

The Cage production was given in the Frankfurt Schauspielhaus, which is situated in the same complex as the opera house, but was unaffected by the November fire...

Gary Bertini had opened his first Frankfurt season, and is the worst catastrophe to befall any opera company since the war. It is only now that some kind of working basis has been drawn up for the next three or four years...

The Schauspielhaus is smaller, but it has a pit and a reasonable acoustic. It would suit Britten's chamber operas, and the company's existing Mozart standard repertoire. Some critics found the show an original exercise in separating the components of traditional opera...

The Alchemist/Richmond

Martin Hoyle

Last week the Cambridge Theatre Company launched its spring tour at the theatre on Richmond's Green with an excellent production - fast, clear, lucid - of Ben Jonson's comedy of gulls and greed, dunes and delusion...

The director Michael Boyd has a way of clarifying and clearing the decks in classics. Michael Coveney praised his chamber music in these pages; I have been struck by a crackling, gripping Macbeth in Glasgow and a sombre funeral Hedda Gabler in Leicester...

Peter Ling's design captures the stern grandeur of Jacobean panelled interiors shuttered against the brilliant sunlight (briefly glimpsed in Gerry Jenkinson's lighting) of a plague-stricken city (sobs and wails, later mad laughter, are wafted in every time the street door opens)...

Stephen Boxer's hairy, Christ-like Subtle is a Machiavellian schemer who occasionally takes the audience into his confidence and speaks his lines with a pointed casualness as if he were Philip Whitchurch as the all-purpose procurer...



Philip Whitchurch and Laura Davenport

Beattie makes into a slightly puzzled but hilarious social Dane (Philo), obviously down south to make their fortune in the wake of the newly-acceded Wisest Fool in Christendom...

found up most Soho stairways. Her silent, crumpling collapse into bowed and bitter resignation at being double-crossed by Face conjures up a whole lifetime of betrayals: a tough, haunting and totally real accommodation reached by the master of the house with his crooked steward/principal subordinate to the prospect of quick riches, makes Jonson's world of manipulators and predators seem very near to us indeed.

Music Projects/Almeida Theatre

Paul Driver

Richard Bernas's ensemble Music Projects/London on Sunday evening launched a series of three concerts with the theme 'Text and Music', each held at the Almeida Theatre. This is an ever-tantalising, ever-rewarding subject, but the first of the programmes, subtitled 'romantics/Romantics', did not at any rate stick to it...

ver Knussen's Trumpets, a setting of the Trakt poem of that name for soprano, three clarinets, and no trumpets, came next. Eileen Hulse's account of the vocal part was perfectly judged, and the clarinetists made their figurative vivid, lively and clear.

Mark Anthony Turnage's Lament for a Hanging Man sported a similar kind of bright interplay between reed instruments - a couple of bass clarinets and soprano saxophone were used for the most part - and the players (Heaton, Honour and Steve Cottrell) made it equally articulate and compelling...

ture deftly throughout. An impressive and enchanting work by the 39-year-old Soviet composer Dmitry Smirnov - The Visions of Coleridge for solo and nine instruments - received its first performance: an excellent one, featuring Ms. Hulse again and directed by Richard Bernas. Smirnov is apparently fixated upon the English Romantic poets, and has already written two operas to texts by William Blake...

Obituary/Frederick Loewe

Martin Hoyle

Frederick Loewe who has died in Hollywood at 86 will be remembered as the composer of award-winning musical shows of the quality of My Fair Lady and Gigi. He studied both the piano and composition in his native Vienna before he made his public debut as a pianist in Berlin at 13. Ironically it was also as a pianist that he first appeared in 1942 in New York, a city that would come to know him in a very different role...

Loewe composed songs for now forgotten shows in New York and Michigan. Loewe collaborated with Alan Jay Lerner in The Day Before Spring in 1946. The memorable Broadway partnership continued with Brigadoon and Porgy and Bess, both successfully produced in London, and in 1956 came the record-breaking adaptation of Shaw's Pygmalion, My Fair Lady. This illustrated Loewe's ability to tailor a song perfectly to the dramatic and psychological needs of the theatrical situation. Camelot, based on T.H. White's Arthurian tetralogy, had a less uniformly favourable critical reception, but like its predecessors achieved long runs in America and Britain, was filmed and has been revived. The 1973 Gigi, despite winning a Tony, is better known as a film than in the original theatrical version, though a stage production reached London in 1985...

Wolfson gift to music trust

The Wolfson Foundation has granted \$50,000 to St George's Music Trust towards the conversion of St George's, Brandon Hill, Bristol into a medium sized concert hall. This is the largest single gift received by the Trust and brings the Appeal for \$500,000 launched last autumn to \$200,000.

Arts Guide

Opera and Ballet

LONDON

Sadler's Wells. American modern-dance acrobatic troupe Moxix. (278 8916). Royal Opera, Covent Garden. Janacek's Jenfa returns to the house in the production by Yuri Lyubimov that was new, and widely admired, last season. Ashley Putnam (Jenfa) and Eva Randova return to the production. (240 1066). English National Opera, Coliseum. In repertoire this week: Graham Vick's deeply unsatisfactory Madam Butterfly production; the latest revival of David Pountney's fun but not very-offenbachian Orpheus in the Underworld. (838 3181).

PARIS

Paris Opera. Homage to Serge Lifar by the stars and pupils of the Paris Opera Ballet with choreography by Jean-Francois Bizet and costumes alternates with Katia Rabinova inaugurating a cycle of Janacek. (47425771). Opera Comique. La Pille du Regiment is conducted by John Burdick at the (47425371). Palais des Congrès. Ballet in repertoire.

NETHERLANDS

Amsterdam Muziektheater. Balance programme from the National Ballet - Concerto Barocco (Bach), Violin Concerto (Stravinsky) and Theme and Variations (Tchaikovsky). (Wed and Thur). (255 4551).

WEST GERMANY

Berlin, Deutsche Oper. Der Troubadour is a Herbert von Karajan production.

duction. Hoffmanns Erzählungen, sung in French, has fine interpretations in Franco Ponnelle's production, takes the leads Deborah Polaski, Barbara Vogel, Herman Winkler and Harald Stamm. Tosca, a strong cast with Janis Martin and Ingar Wigzell. Also The Magic Flute and Die Entführung aus dem Serail. La Pille du Regiment (381).

Hamburg, Staatsoper. Cav and Pag stars Julia Varady. Die Verkaupte Braut has Oliver Frieder and Kurt Moll. John Neumeier's ballet Endstation Sehnsucht. (25 11 61). Cologne, Opera. Pique Dame has Josef Antonik while Der Barber von Sevilla takes the leads Cecilia Baroni, Louis Quilico and Carlos Feller. (20 761).

Frankfurt, Opera. Le Nozze di Figaro features Hildegard Behche. Der Zigeunerbaron will be conducted by Volmar Olbrich. Also in the repertoire: John Cage's two operas Europas 1 & 2. (25 621).

NEW YORK

New York City Ballet performs every night except Mondays with Saturday and Sunday matinees in the wonderful varied repertory. Lincoln Center Opera House. Metropolitan Opera. James Levine conducts Otto Schenk's new production. Hoffmanns Erzählungen, sung in French, has fine interpretations in Franco Ponnelle's production...

February 12-18

CHICAGO

Auditorium Theatre. American Ballet Theatre. ITALY Rome, Teatro dell'Opera. La Sonnambola in the production given here two years ago by Silvia Cassini. The cast includes Jean Anderson, Roberto Scanduzzi and Raoul Gimenez, conducted by Hubert Soudant. (46 17 55).

TOKYO

Nakano Sun Plaza. Centurion. All the dancers wear masks and move like dolls in this fairy tale for adults presented by the Lyon Opera Ballet. Begins tomorrow. (478 8888).

Saleroom/Antony Thorncroft US wins bottle contest

A very rare wine bottle in (English Delft, probably made in Southwark, and certainly in 1628, sold for the extraordinary price of \$52,800 at Christie's yesterday. It was bought by the London dealer Jonathan Horne on behalf of an American client.

Christie's always puts modest estimates on its ceramics and this lot was estimated at up to \$12,000. But only five examples of this particular bottle are known and three of these are in museums, so two of the avid collectors for early English pottery let rip.

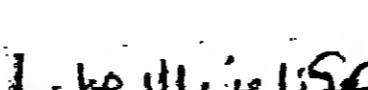
Prices in this sector have been rising for around three years with a couple of American collectors fighting against one rich British buyer. In this case the Americans won. The bottle will no doubt go before the Export Review Committee on works of art and it is likely that a temporary 'stop' will be imposed upon it to give British museums the chance to raise a comparable sum and keep this fine example of early English pottery in the UK.

produced in that factory around 1765 sold for \$13,200, twice its estimate. In 1986 Christie's sold a similar example for \$13,200, showing just how cautious are the estimates in a market which is still very much a British collecting preserve, plus a few Americans. The Sampson paid the same sum for a pair of pearware equestrian groups, made around 1800 in either Staffordshire or Newcastle: the top estimate had been \$1,500.

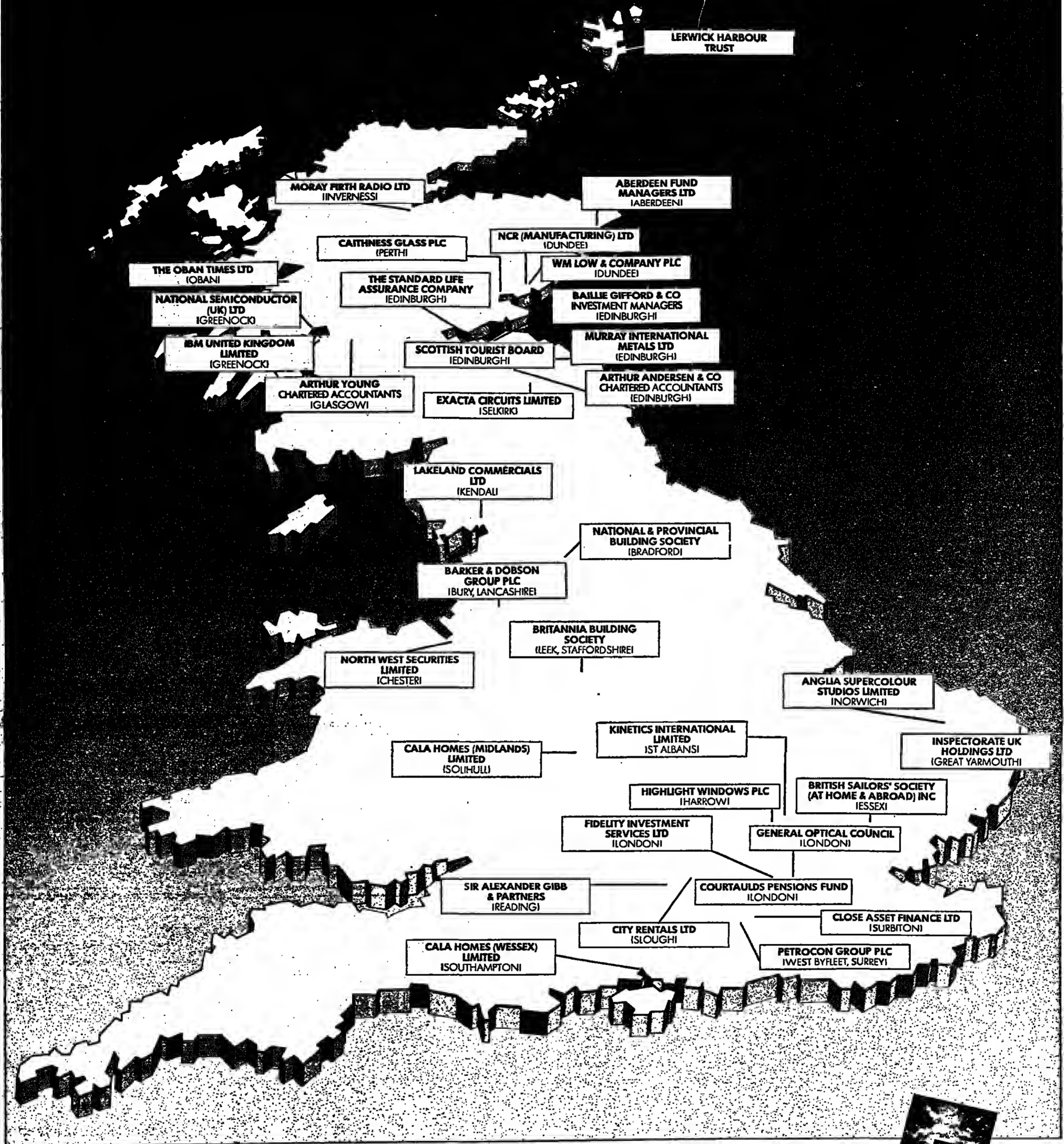
Another good price was the London dealer Vandekar Derby cabbage tureen and cover. Chelsea is another factory which which stays in favour, and a silver shaped oval dish more than doubled its top estimate at \$3,250. A creamware figure of a lion, made around 1820 in either Staffordshire or Yorkshshire made the same price, also way above forecast. Blairman, best known as a furniture dealer, bought a set of four Derby figures of the seasons for \$7,150.

All these lots went far above expectation. More in line with the general market is 18th century English porcelain was a Chelsea blue 'Greek Christ' square tapering vase which Christie's sold for \$550 nine years ago and which yesterday doubled this price at \$1,100.

Your first 12 issues free when you subscribe to the Financial Times. When you take out your first subscription to the FT, we'll send you 12 issues free. For further information and details of subscription rates, complete the coupon and return it to: Wif Brussel, Financial Times (Europe) Ltd, Gniolletstrasse 54, D-6000 Frankfurt am Main 1 West Germany. Tel: (069) 7598-101. Please send me details about Financial Times subscriptions. Name: Title: Company: Address: Tel:



What's the common factor?



HOB'S.
This is a selection from the thousands of large and small businesses* throughout the UK which benefit from HOB'S—Bank of Scotland's Home and Office Banking Service.

- Why not join them and—
- Do your banking at a time and a place that suits you, not your bank.
 - Transfer any current account surplus to a special high interest account at the touch of a button.
 - Optimise your financial control with almost round the clock access to your accounts.
 - Benefit from a unique payment system.

HOB'S allows you time to do what you're best at—run your business. Time is money—clip the coupon for our free information pack now.



CONFIDENTIAL ENQUIRY

The information you supply will be treated in the strictest confidence.

Name _____

Position _____

Company/Business Name _____

Address _____

Post Code _____

Telephone No. _____ Type of Business _____

Previous year's turnover £ _____

Previous year's pre-tax profit £ _____

Current Bankers _____



Post to: HOB'S Centre, Bank of Scotland, Orchard Brae House, Freepost, Edinburgh EH14 0HR.

*The range of businesses which operate HOB'S includes accountants, solicitors, dentists, doctors, local authorities, shops, tradesmen, health boards, fund managers, insurance brokers, financial advisers, advertising agencies, travel agents, computer companies, clubs, stockbrokers, farmers, grain merchants, finance companies, manufacturers and many more.

Robin Pauley and John Elliot examine the issues still obstructing peace in Afghanistan

A crisis which is far from over



The challenge for Labour

THE LEADER of Britain's Labour Party, Mr Neil Kinnock, should welcome the challenge to his position that is being laid down by Mr Tony Benn and the rest of the old left. As matters stand Mr Benn has shrunk from actually putting his own name forward as an alternative leader, while Mr Kinnock has steadfastly maintained that a contest would divert attention from the task of rebuilding the party's public support. This leaves Mr Benn and his cohorts free to continue their persistent attack on Mr Kinnock's leadership without putting their own credibility to the test. The Labour leader would do better to invite Mr Benn, or any other such critic, to come out fighting, so that the degree to which the old left has lost support might be demonstrated.

Professional
For Mr Kinnock is doing rather well at the moment. During last year's general election he showed that he could lead a polished and professional campaign. The result was a disappointment for his party, but it could be argued that at least the rot that had begun to set in a decade previously had been stopped. Since then he has shown in a variety of ways that he well understands that the future of Labour depends in large part upon the degree to which it can win back the centre-left support that rallied to the Alliance when right-wing Labour MPs broke away to form the Social Democratic Party in 1981. He has reduced (although not eliminated) the power of the trade unions and activists in internal party battles. He has fought to expel far-left militants from the party. The pursuit of single-issue politics (sexual liberalism, feminism, and the like) has been placed on one side in favour of more central themes. The old knee-jerk support for every strike that came along has been abandoned in favour of a more measured distancing of the party leadership from industrial disputes.

Another chance for Cyprus

THE ELIMINATION of the incumbent President Spyros Kyprianou in the first ballot of the Cypriot presidential election is less of a dramatic upheaval than it might at first sound. In a sense it has been predictable ever since the rupture of the alliance between him and Akef (the Communist Party) back in 1985, for it was that alliance that made possible his re-election for a second term in 1988.

Disturbed
But Mr Clerides himself by now has a weary and somewhat shop-soiled look. He is deeply distrusted by the Cypriot people, both for his pro-Nato views and for the past association of some of his supporters with the Eoka-B terrorist movement. It is possible that Mr Vassiliou, with Akef behind him but unable (given the presidential nature of the Cypriot constitution) to dictate to him, would have a better chance of rallying support for any settlement he was able to achieve. He at least would have the merit of being an entirely new protagonist in a drama that badly needs a new script.

Criticism
The result was that, for the first time since 1974, the Turks became the "good guys" in the eyes of much international opinion, while Greek Cypriot "intransigence" was blamed for the lack of a solution. Both Akef and Mr Glafkos Clerides, the conservative leader, held Mr Kyprianou responsible for this - though whether either of them would actually have signed the New York document, had they been in his place, was never clear. Certainly both con-

MIKHAIL GORBACHEV's determination to get the Soviet Union's 115,000 troops out of Afghanistan, outlined last week, has raised hopes that an end is in sight to nearly a decade of conflict. There are, however, daunting hurdles to surmount before the troops leave. And, when and if the Soviet forces go, there are even more difficult problems to be solved before Afghanistan becomes peaceful once again. Since he came to power in 1985, Mr Gorbachev has made no secret of his desire to secure a withdrawal. His impatience appeared to quicken after his summit last December with President Reagan. In the last month events have unfolded at a rapid pace. Last week, Mr Gorbachev said that if an agreement was reached on March 2 at peace talks in Geneva between Pakistan and Afghanistan, Soviet forces would start leaving 60 days afterwards. They would complete the withdrawal 10 months later - in the meantime meeting US and Pakistani demands that important weapons and equipment should be withdrawn in the early weeks. Mr Gorbachev's most significant decision was that the Soviet withdrawal could and would take place regardless of whether an interim transitional government for Kabul had been agreed. He now says that is a matter for the Afghans alone to resolve.

Such a resolution will not be easy. Afghanistan has never been a cohesive or pacific country. It has a history of disunity wrought by tribal, ethnic and religious feuding. Islam is the dominant religion. The Sunni sect significantly outnumber the Shia Muslims - whose ultimate spiritual leaders would be the Imams of Iran. Afghanistan's divisions have only worsened since a communist People's Democratic Party of Afghanistan government was installed by revolution in April 1978. It came under powerful armed pressure from the rural majority led by

rightwing landowners, mullahs and religious-based mujahideen resistance groups. A Soviet occupation force arrived in December 1979 and has been ensnared ever since. The mujahideen have benefited from western support, especially from the United States. They now have massed stores of sophisticated weaponry including Stinger and Blowpipe missiles. In addition the US has been a generous provider of aid to Pakistan which has given shelter both to the mujahideen leadership and to more than 3m of the 5m Afghan refugees fleeing the war. (The other 2m went to Iran.) Reconciling all these elements represents a formidable task. The mujahideen insist that they will not put down their arms - even if the Soviets start withdrawing - until there is a new interim administration in Kabul which does not contain any communists from the present PDPA government of President Najibullah. Pakistan also now says it will not sign the four withdrawal protocols in Geneva, even if all the details are agreed, until an interim government is in place. On the other hand, Mr Abdul Rahim Hates, representing the Afghan government, is adamant that there is no question of the PDPA being excluded from the coalition and that nothing can be signed in Geneva until a neutral interim government is in place. Mr Yuri Vorontsov, the Soviet deputy foreign minister, warned in Islamabad last week that any delays in signing in Geneva will not be of the Soviets' making but will delay withdrawal.

For the US, the conundrum is this: does Washington continue to support Pakistan and the mujahideen's refusal to sign with the present regime? Or does it threaten to cut off aid to both to try to force them to sign and get the withdrawal under way? Backing the Pakistan/mujahideen line would saddle the US with a share of the blame for prolonging the Soviet occupation; opposing it would mean that the US was abandoning its

support of the anti-communist campaign which has seen 1.5m Afghans killed or wounded. Many of these difficulties may not arise; some of today's dogmatic positions are clearly negotiating tactics which can probably be overcome by Mr Diego Cordovez, the UN negotiator, in Geneva. Although his mandate restricts him to mediating on the withdrawal timetable, most parties to the dispute have indicated privately that they would welcome his unofficial and informal help with the problem of the successor government. The superpowers are also likely to turn the screws on their respective clients before the Geneva meeting reconvenes. Mr Eduard Shevardnadze, Soviet Foreign Minister, and George Shultz, US Secretary of State, meet next weekend in Moscow. There will surely be a private Afghan agenda. However, all the choices for the composition of a future government are fraught with difficulty. If the Soviets just pull up and move out, leaving the Najibullah regime behind, an Afghan civil war seems inevitable, with the mujahideen turning their joint resources against the army, the government and the civilian capital of Kabul. Even if the mujahideen get what they want and have virtual dominance of the interim government, Afghanistan's woes will be far from over. The mujahideen have prepared a plan for a two-tier all-Moslem interim Government, the top tier comprising the seven mujahideen leaders plus a few unspecified others. This tier would choose a president and prime minister from its members and appoint a Cabinet as the second tier, excluding communists. But the seven main groups and their supporters are only united in so far as they oppose the Soviets, Najibullah's regime, the Afghan army, communism and compromise. Ethnically and ideologically, they are deeply divided. Once their joint objects of hatred are vanquished, serious and potentially violent divi-

The soldiers who feel betrayed

WHEN Nikolai Fotiev was serving with the Soviet forces in Afghanistan, all he thought about was going home. "How we longed to get home," he told a Soviet newspaper recently. "But now we have a feeling that we left what was closest to us behind in Kabul".

you look through early reports, you would think Soviet soldiers spent their time picking flowers and kissing Afghans. As the war dragged on, reporting became more frank. More and more bodies came home in zinc coffins aboard the "black tipples" - as the soldiers call the aircraft used to ferry the dead - and the authorities had to concede that the troops were in for a long haul. One diplomat explains that public opinion is so underdeveloped in the Soviet Union that most people had long accepted official arguments for the Soviet presence in Afghanistan. But now, Mr Borovik says, there is "absolute unity that the tragic conflict should be ended to stop our boys dying there". Meanwhile, the authorities are showing

more concern about the veterans and Mr Borovik points to Mr Gorbachev's statement, when announcing the proposed withdrawal of Soviet forces, that returning troops add the relatives of those who had died should be treated with "care, attention and kindness." An association of veterans has been set up by the Komsomol (Communist youth movement) in conjunction with the army to organise meetings of veterans to organise meetings of veterans in western descriptions of Afghanistan as "the Soviet Vietnam" and insists that issues like drug abuse among veterans have been exaggerated. But he concedes that some veterans are not in very good shape psychologically. "They were sent over there, they did their job and now their country should do something for them," he says. "Many feel their country has betrayed them."

Afghan army is both feeble and as politically and ideologically divided as the rest of the nation. It cannot therefore be relied upon to impose or sustain any position or any particular faction in government. Given these difficulties it is scarcely surprising that Mr Cordovez, the UN negotiator, has been at great pains to explain that the crisis is far from over. And Pakistan is becoming increasingly nervous about the Soviet exodus it seeks. It does not want a civil war on and across its borders; nor does it want a situation inside Afghanistan which deters the 3m refugees from returning, particularly when future US aid to Pakistan might be significantly less generous. Soviet withdrawal or no, the outlook for Afghanistan remains bleak.

Charles Hodgson

Vassiliou's chances

THIS time next week George Vassiliou, 66, may very well be President of Cyprus. After the first round of voting on Sunday, he saw off the incumbent, Spyros Kyprianou, and now has only the other old stager, Glafkos Clerides, to beat. So who is Vassiliou?

Soft fruit
An 80-year old trade magazine is claiming to be the first weekly in the UK to make up all its editorial pages using "desk top publishing" technology which links personal computers and laser printers to yield results indistinguishable from traditional typesetting. The Fruit Trades Journal is now set using Apple Macintoshes.

Betting on health
Simon Burns, the Tory MP for Chelmsford, is seeking to introduce a 10-minute rule bill in the House of Commons today which, as is the way of these things, will probably get nowhere, but at least has the merit of being topical. Burns wants a national lottery specifically tied to aiding the National Health Service. For a co-sponsor, he thought first about Dr David Owen, who is known to be interested, but settled for Rosie Barnes, one of the Doctor's closest allies. On the Labour side he has the support of Frank Field, perhaps the most formidable expert on social security in the House. Burns will not go into detail today, but reckons that it should be possible to raise around £1.5bn a year, net of

OBSERVER

credentials. These mainly derive from his parents and in particular his father, an ophthalmologist and strong Akef supporter, who took his family to Greece to fight on the Communist side in the 1945-1949 civil war. Vassiliou took a doctorate in economics at Budapest University before specialising in marketing and market research in London. His English career included a post as economist and market researcher for the Reed paper group. No one doubts he has learnt his job well. As a former opponent admitted, Vassiliou has run a "textbook US-style campaign, complete with kissing babies and shaking factory workers' hands."

Early booking
Hong Kong hotels have a reputation for being almost impossible to book at short notice. That said, they seem to be stretching things at present by taking bookings nine years hence. The crucial date is June 30, 1997, the date that the Union Jack is lowered for the last time and the red flag of China is hoisted in its place. Festivities have yet to be arranged but that has not deterred tourists from all over the world making early bookings. Heinz Waldvogel, resident manager of the prestigious Peninsula Hotel has revealed that 10 per cent of the hotel's 210 rooms have already been booked that far ahead and similar demand has been quoted by the Mandarin, the territory's top hotel, and the Excelsior which has prime harbour views. Waldvogel would not disclose who had made the bookings and neither he nor the Mandarin have quoted prices yet. The Excelsior, with an eye for an occasion, has already fixed its prices at the not-surprising sum of HK\$ 1,997 (£146). Glen Farmer, Excelsior general manager, says about 20 bookings have been lodged so far. Clients are coming from the UK, Vancouver, the US and Switzerland. Even a local family has booked. Farmer says the historic price tag has an appeal that defies commercial logic. "It's a bit of a gamble." After all, what if a future resident doesn't make it to 1997? "We will call in management deposits about a year ahead," said Farmer.

Waiting man
David Steel received a letter yesterday from the Campaign for Social Democracy, the outfit led by the other David. It was personally addressed to him and signed by Rosie Barnes. It said: "We know who our leader is. . . . The country needs the SDP. The SDP needs you."

IF you want Ca'shhhh!

IF you want up to 80% of your outstanding invoices paid now.
IF you want the balance when your customers pay.
IF you don't want anyone to know.
IF your turnover exceeds £750,000.

You want Confidential Invoice Discounting New Business Manager. Freephone: 0800 521371.

The International Factors Limited, P.O. Box 241, Sovereign House, Queen's Road, Brighton BN1 1WX.
Name: _____
Title: _____
Company: _____
Address: _____
Postcode: _____ Telephone: _____
Member of the Lloyds Bank Group 1/16/88

SCOOPERB

CONSTRUCTION EQUIPMENT

SECTION II - COMPANIES AND MARKETS
FINANCIAL TIMES

Tuesday February 16 1988

IVECO

TRUCK
 BRITAIN'S INTERNATIONAL TRUCK MANUFACTURER

Northern Telecom sells UK operation to STC

BY DAVID THOMAS IN LONDON
 NORTHERN TELECOM, the world's fourth largest telephone equipment manufacturer, has sold its UK telecommunications business to STC, Britain's second biggest electronics group.
 The deal, which strengthens the alliance between the two, is valued at \$36m. ICL, STC's computer subsidiary, is to take over Northern's data systems activities in the UK, the Netherlands, France, Italy, Switzerland and Belgium.
 Northern's data systems in West Germany may be added to the list.
 The companies hope the deal will boost their chances of selling more equipment to British Telecom.
 Northern and STC have been discussing plans for collaboration since the Canadian company bought 27.8 per cent of STC in October. At that time, STC was intending to purchase 40 per cent of Northern's UK subsidiary, but yesterday's announcement takes that proposal considerably further.
 No accounting details were released yesterday, but the businesses acquired by STC are thought to have annual sales of about \$100m and are believed to be making losses, reflecting the start-up costs of Northern's relatively recent attempt to enter the European market.
 STC will take over responsibility for selling and servicing Northern's telecommunications products in the UK. These include its main public exchange, the DMS family, which it has sold to Marcury

Communications, British Telecom's licensed competitor. It also sells in the UK a large private exchange as well as equipment for private networks.
 Under the terms of the agreement, STC may start to make some of this equipment under licence. However, the deal does not affect the arrangement by which the General Electric Company of the UK makes Northern's mid-size private exchange under licence.
 Northern's data systems business consists mainly of its Vienna series of personal computers and office automation products. ICL said it would gain a stronger base and distribution network in office automation on the Continent, in line with its strategy.

Schneider rejects bid peace proposal

By George Graham in Paris
SCHNEIDER, the French electrical equipment and construction group, has rejected a compromise peace proposal from Télémeccanique, the industrial automation company for which it last week launched a takeover bid.
 Mr Didier Pineau-Valencienne, chairman of Schneider, said yesterday that Télémeccanique had suggested a deal which would leave his group with a minority stake.
 He had made a counterproposal under which Schneider would keep a larger minority stake and would place a further bloc with institutions of its own choice.
 This would be backed by a management agreement.
 Mr Pineau-Valencienne said this counterproposal, which would have fulfilled his strategic aims in bidding for Télémeccanique, was rejected by Mr Jacques Valla, the target company's chairman.
 Schneider's bid of FF2,900 a share for 53.5 per cent of Télémeccanique, valuing the company at FF1.1bn (\$1.07bn) has been vigorously opposed by Mr Valla and by his workforce, who control 12 to 15 per cent of the shares through an employees' mutual fund and individual holdings.
 The Schneider group has argued that Télémeccanique must ally with its own subsidiary, Merlin Gerin, a specialist in electrical switching equipment, in order to compete on the world market.
 "Once your market is the whole world, 'small is beautiful' does not work any more," Mr Pineau-Valencienne said.
 He said the two companies ranked between first and fourth in the world in their main specialties.

English hits the news in Montreal

FRENCH-LANGUAGE newspaper publishing has flourished in Montreal over the past 20 years, as Francophones have taken over the city's economic reins.
 Now, however, it is the turn of English-language newspaper publishing. The initiative comes from two francophone entrepreneurs - one with help from Mr Robert Maxwell, the British media baron - both of whom realise the French-language newspaper market is saturated and see room to grow in the English-language area.
 Mr Pierre Peladeau is the *enfant terrible* of Montreal publishing. He plans to launch an English-language tabloid in March to compete with the long-established broadsheet, The Gazette, owned by Southam, the Toronto-based publishing group.
 His newspaper would be modelled on Newsday, the serious New York tabloid, rather than the Toronto Sun, which sports a daily Sunshine Girl and Boy, some quasi-extreme political views, as well as some of the country's best sports coverage.
 Mr Peladeau already owns

ROBERT GIBBENS looks at the background to an initiative being launched by two entrepreneurs to tap into Montreal's market for English-language newspapers - an area they believe holds strong growth prospects
 Journal de Montréal, a racy, French-language tabloid. It sells about 350,000 copies daily, making it Canada's second-largest circulation daily newspaper after the Toronto Star.
 He recently built a printing plant capable of handling four colours and 400,000 copies daily but increasing circulation to that level has proved difficult. The francophone population of Montreal with a persistently low birth rate, is no longer growing, and competition has been stiffening from La Presse, which sells 200,000 copies a day and is owned by financier Mr Paul Desmarais of Power Corporation of Canada.
 Mr Peladeau last year bought effective control of a Quebec newspaper producer jointly with Mr Maxwell. His publicly-traded Quebecor holding company has annual sales of well over C\$1bn (\$792.3m) and is highly profitable. Quebecor also holds Mr Peladeau's other newspapers, including the Winnipeg Sun, and several printing and distribution businesses.
 Mr Peladeau says he will put C\$25m into his Montreal Daily News in the next five years. He dismisses suggestions that he may repeat his costly Philadelphia tabloid venture of nearly a decade ago. Quebecor cost C\$15m in write-offs when it folded.
 The new paper will concentrate on sport, lifestyles and local coverage and will aim at commuters and suburban readers. By "English readers" Mr Peladeau includes people of non-British stock, who prefer to speak English and represent Montreal's fastest-growing population group.
 Mr Maxwell is to take an interest "somewhere between 5 and 10 per cent" in the new paper and provide some know-how, says Mr Peladeau. Mr Mike Molloy, Mirror

Group editor-in-chief, has been in Montreal looking at plans for the new daily.
 Mr Peladeau says he is not going for the soft underbelly of The Gazette because his readership will be different.
 He says he will keep the Montreal Daily News going for at least two years, staff already hired have a guarantee of six months. His aim is to boost circulation by 40,000.
 The second entrepreneur, Mr Remi Marcoux, a former Quebec vice-president, went off on his own 12 years ago to build up a printing and publishing business across Canada and in parts of the US.
 He is bringing out an English-language business weekly as a companion for his profitable French-language Les Affaires. Although sales may be limited it could find a niche among anglophones. Quebec's economy and tax system differs significantly from other provinces and this alone provides fodder for a weekly investment paper.
 The Gazette's reply is to beef up local coverage and produce a Sunday edition.

Earnings jump at Banco do Brasil

By Our Sao Paulo Correspondent
BANCO DO BRASIL, the giant state-owned financial conglomerate, has reported a \$1.08bn 1987 net profit, almost four times more in real terms than its 1986 profit of \$276.7m.
 Last year's profits indicate that the bank has recovered from the disastrous effects of the 1986 cruzado plan which hit banks badly when real interest rates plummeted.
 Mr Camilo Calazans, the bank's president, said it had increased its share of the Brazilian financial market to 20 per cent, from 7.4 per cent less than two years earlier.
 Banco do Brasil entered several new markets, including insurance brokering, leasing and consumer finance.
 Operating income rose threefold in real terms, to \$18.5bn.
 Last year, Banco do Brasil became much more profitable. Net profit was equivalent to 20 per cent of net worth, against 0.5 per cent in 1986.

IBM boosts speed of mainframe range

BY ALAN CAME IN LONDON
INTERNATIONAL BUSINESS Machines has developed computer software which will improve the power of its biggest mainframe computers through better access to their vast memories.
 IBM executives claimed the new software would substantially speed many data-processing tasks. Bill of materials processing, for example, which typically takes 10 minutes today, might take only five seconds using the new software.
 Called "Enterprise Systems Architecture (ESA)," the new software allows IBM's big 3080 mainframes to make direct use of up to 16,000 characters stored in the computer's memory.
 Access to memory is often the slowest step in data processing. Existing software, MVS/XA, lets the computer work with only 2m characters of storage at a time. IBM 3080 mainframes have always had the potential to handle much larger amounts of memory, but were unable to do so because of inadequate software.
 The new software removes this constraint and allows the computers to operate at close to their theoretical maximum speed.
 IBM also announced an automated method of handling huge amounts of information, and a piece of hardware which makes it possible to run a single computer as if it were four separate computers with different software needs.
 Manufacturers which build "plug compatible" computers - machines which behave exactly the same as the IBM originals, run the same software, but offer better performance or price - said their machines would be able to run the new software as well, although it might take them a few months to carry out the fine tuning.

BfG forecasts slowdown in profits decline

BY HAIG SIMONIAN IN FRANKFURT
BANK für Gemeinwirtschaft (BfG), the large West German bank now majority-owned by the Aachener und Münchener (A&M) insurance group, will show a small fall in its 1987 partial operating profits, according to Mr Thomas Wegscheider, chief executive. In 1986, the bank's partial operating profits plummeted to DM166m (\$98m).
 Full audited results will not be published until later this year. However, BfG's preliminary figures showed that interest earnings had fallen in 1987 on account of its lower interest margin.
 Fee income was marginally higher, but partial operating profits had been depressed by a "moderate" rise in expenses. Full operating profits, which include gains from own-account

trading, would also be lower in 1987 than the previous year.
 Total assets at parent company level declined by around DM1.1bn to DM47.7bn, with the fall in the value of the dollar accounting for almost DM500m of the decline.
 The bank has already begun the reorganisation which was forecast after A&M's purchase of a controlling stake from the country's trade union movement last summer.
 Some 3,000 A&M staff, many of whom deal with customers at home, are now being trained to sell bank products. Among common products already introduced is a special life insurance-linked building loan.
 Cross-marketing will be greatly extended when BfG sets up its new mortgage banking subsidiary in the second quarter of this year.

The mortgage bank will have equity capital of DM150m and should be in profit by the end of its first year, according to Mr Wegscheider. Meanwhile, A&M's life insurance subsidiary will delegate all mortgage-related business to BfG.
 There has also been progress on BfG's Finanz Service, the new joint operation with the A&M designed to offer broad-ranging financial and insurance services to customers via selected bank branches. Some 13 BfG branches now have trained staff on site, and this number will gradually be increased to 70 this year.
 Internationally, BfG has raised its stake in Ingaba, the biggest German-run bank in Switzerland, to 84 per cent, and may change its name to BfG Schweiz. Meanwhile, it has also taken a first step in the Japanese financial market by acquiring 20 per cent of Euro Japan Corporation, a Japanese portfolio management company.
 Mr Wegscheider was more cautious on the subject of BfG's internal reorganisation, initiated before the change of ownership. Responsibilities are being devolved from headquarters to new regional head offices.
 The bank is also committed to a 10 per cent cost reduction. Although this will partly be achieved through staff reductions, Mr Wegscheider would not be drawn on how many employees might have to go.

New Issue All of these bonds having been sold, this announcement appears as a matter of record only. February 1988

The Council of Europe Resettlement Fund
 For National Refugees and Over-Population in Europe
Fonds de Réétablissement du Conseil de l'Europe
 pour les Réfugiés Nationaux et les Excédents de Population en Europe
 Strasbourg/Paris

DM 150,000,000
 5 3/4 % Bearer Bonds of 1988/1995

Issue price: 100%
 Interest date: February 15
 Repayment: February 15, 1995
 Listing: Frankfurt (Main)

1,500,000 Currency Warrants
 Issue price: DM 13.50 for each Currency Warrant
 Subscription Rights: From February 15, 1988 through January 25, 1990 US-\$ 100.- can be purchased for each Warrant at the exchange rate of DM 1.5990 for US-\$ 1.-
 Listing: Frankfurt (Main)

BHF-BANK

Morgan Stanley GmbH	Trinkaus & Burkhart Kommanditgesellschaft auf Aktien
Banca del Gottardo	Bank Brussel Lambert N.V.
Banque Paribas Capital Markets GmbH	Banque Internationale à Luxembourg S.A.
Bayerische Vereinsbank Aktiengesellschaft	Bayerische Landesbank Girozentrale
CSFB-Effektenbank	Crédit Commercial de France
DG BANK Deutsche Genossenschaftsbank	Deutsche Bank Aktiengesellschaft
Genossenschaftliche Zentralbank AG - Vienna	Dresdner Bank Aktiengesellschaft
Salomon Brothers AG	Deutsche Girozentrale - Deutsche Korrespondenzbank
Vereins- und Westbank Aktiengesellschaft	Industriebank von Japan (Deutschland) Aktiengesellschaft
	Kreditbank International Group
	Schweizerischer Bankverein (Deutschland) AG Investment banking
	Société Générale - Elsassische Bank & Co.
	Westdeutsche Landesbank Girozentrale
	Westpac Banking Corporation

BIG DEAL!

THIS YEAR INTERBANK IS MAKING THE BIGGEST DEAL OF ALL.

In our one hundred year history we have made a lot of big deals. At Interbank it's that century of experience that will give you exactly the right kind of service you need, when you need it. That's what makes Interbank one of the most profitable wholesale banks in Turkey.

There is a profit in Turkey and at Interbank you can bank on it.

INTERBANK ULUSLARARASI

For more information on Interbank please contact N.A. SUEPPARDI, ULUSLARARASI ENFINSTRİ VE TİCARET BANKASI A.Ş. BÜYÜKDERE CAD. 108, BEŞİTEPE, İSTANBUL, TÜRKİYE. TEL: (1) 174 20 00 TELEX: 26098 IBGE TR.

INTL. COMPANIES AND FINANCE

AG Group makes fresh bid for insurance rival

BY TIM DICKSON IN BRUSSELS

THE AG GROUP, Belgium's largest insurance company, yesterday formally launched a higher offer for Assubel Life, an unquoted domestic rival which had rejected its earlier advances.

AG said it would pay BFr7,200 (\$201.1) per share, against the previous bid price of BFr6,000. It has also decided to make an offer for the entire capital, which would remain open until February 29.

The move had been expected by stock market analysts for several days but, being effectively controlled by Société Générale de Belgique, the timing of AG's announcement is understood to have been affected by the hectic battle raging over the leading Belgian holding company's shares.

The insurance saga began before Christmas when Assubel, Belgium's third largest insurer, revealed plans for the French insurance company, Assurances Générales de France (AGF), to take a 20 per cent stake in its capital.

This immediately prompted the first offer from AG, which is concerned at the prospect of both Assubel and Royale Belge, which also acquired a leading French partner last year, effectively falling into foreign hands.

The first AG bid was accepted by only 18 per cent of Assubel shareholders but, added to a 10 per cent stake held directly by La Générale, this would have given AG an effective 28 per cent stake in the business.

Determined to pursue its own destiny with AGF, Assubel then exploited one of its articles of association which enabled the board to reject new shareholders, provided it could find an alternative buyer or buyers at the same price of BFr6,000.

Groupe Bruxelles Lambert, Cobepa, AGF itself - subject to the 20 per cent maximum stake it was already seeking - and the Générale Mosane company indicated their willingness to form such a group.

Under Belgian takeover rules AG's second offer had to be at least 5 per cent above its previous bid. A major obstacle in its way is an estimated 47 per cent of Assubel shares controlled by two insurance businesses closely affiliated to the target company.

GO in deal with top French publisher

By Paul Setis in Paris

GENERALE OCCIDENTALE, the diversified French company which is part of Compagnie Générale d'Electricité, will announce today a publishing alliance with CEP Communication, France's leading publisher of business and technical journals.

The agreement is expected to lead to an important new concentration in French publishing as GO controls Presses de la Cité, one of the country's largest publishing ventures, as well as the Express magazine group.

Apart from its technical and trade journals, CEP, which is 38.5 per cent owned by the French Havas advertising and media group, also controls the Nathan publishing house and Larousse, the reference book and encyclopedia group.

Both GO's and CEP's shares were suspended on the Paris bourse yesterday. A link with CEP would fit in with GO's declared policy of developing its publishing and media activities.

The company's Presses de la Cité subsidiary recently acquired two French publishing ventures, including the Media group and Denis Jacq.

CEP, the telecommunications and heavy engineering group, purchased GO last summer for about FF1.5bn (\$259.5m) from Sir James Goldsmith.

Mr Ambroise Roux, the former CGE chairman, took over at GO. Both he and Mr Pierre Saard, the present CGE chairman, have confirmed their intention to develop GO's media and publishing activities as well as expanding the group's operations in the emerging cable television sector.

GO received 100 per cent of its Grand Union supermarket subsidiary in the US for \$650m to a Grand Union management team. GO is also understood to be planning to dispose of its substantial forest interests in the US and its 37 per cent stake in the Basic Resources oil company.

Record orders boost Kone

BY OW VIKSTROM IN HELSINKI

KONE CORPORATION, the Finnish lift and materials handling group, has increased 1987 net profit to FM156.2m (\$37.7m) from FM147.7m the year before. The total value of Kone's order books at the end of 1987 stood at a record FM3.5bn. Earnings per share rose from FFr9.04 to FFr10.53. The board plans to raise dividends by FFr1.

La Générale shares jump 14%

BY OUR BRUSSELS CORRESPONDENT

A LULL in hostilities marked the first day yesterday of Mr Carlo De Benedetti's formal bid for 15 per cent of Société Générale de Belgique, Belgium's most powerful business institution headed by Mr André Lamy.

Shares in La Générale jumped 14 per cent to BFr4,750 (\$132.3) in relatively light trading on the Brussels bourse, but for the first time in a couple of weeks there were no new public initiatives or official statements from any of the leading participants in the drama.

Yesterday's market price compares with Mr De Benedetti's already increased offer of BFr4,000, announced last week just before the bid from Cerus, his Paris-based financial holding company, was formally cleared by the Belgian Banking Commission.

Stock market analysts suggested last night that buyers, possibly friendly to La Générale's board, were attempting to push up the value of its shares beyond the reach of the Italian businessman. However, they pointed out that at this stage only a small percentage of the capital remained in uncommitted hands.

Yesterday's volume was



André Lamy, head of La Générale

"only" 278,000 shares, less than a 10th of the turnover recorded on and off the bourse in one recent session, though still 1 per cent of the total.

Most observers believe the battle is still open, though it swung back Mr De Benedetti's way last week when a much trumpeted alliance of French and Belgian shareholders being put together by Mr André Lamy, the Flemish businessman and chairman of the Gevesert holding company, collapsed for lack of support.

Mr De Benedetti directly or indirectly already controls 18.6 per cent of La Générale.

Much, however, depends on whether a new rival emerges to fill the vacuum left by Mr Lamy, with Mr Albert Frère, chairman of Groupe Bruxelles Lambert, and Mr Pierre Scobier, of Cobepa, the Banque Paribas affiliate, still mentioned as possible candidates.

Amsterdam SE halts purchase of Audet shares

By Laura Rasm in Amsterdam

AN UNIDENTIFIED buyer of shares in Audet, the Dutch newspaper publisher, was forced by the Amsterdam Stock Exchange yesterday to withdraw the offer amid confusion.

The exchange refused to say why it was forcing the bank syndicate to present the buyer to drop the offer, but said further statements might be forthcoming.

The syndicate - comprising NMB, Staal Bankiers and Optimax brokers - refused to comment. The offer was intended to top an earlier bid for Audet by VNU, the Netherlands' largest publishing company.

The bourse has prolonged the suspension of share trading in Audet and VNU. Trading was supposed to have resumed today.

Restructuring helps lift PLM earnings by 53%

By Sara Wehr in Stockholm

PLM, THE Swedish packaging group controlled by the investment company, Industrivarden, reported a strong increase in profits for 1987, helped by restructuring measures undertaken in 1986 and at the beginning of last year.

Profits (after financial items) rose by 53 per cent to SKr252.5m (\$41.5m), compared with SKr165.5m the previous year.

The main business areas all showed substantially increased earnings.

In the final quarter, profit (after financial items) increased by 15.5 per cent to SKr79.5m, compared with SKr68.5m in the same quarter last year.

Interest-rate margins, the net interest as a percentage of average assets, which have previously been Christiania's main source of income, fell to 2.3 per cent last year from 2.95 per cent in 1986. For 1985 they were 3.26 per cent.

dividend from SKr6 to SKr6.6.

PLM said its PAC division, which makes beer and soft-drink cans, would increase capacity this year when a new production line starts up. The division faced problems recently because of its Berlin plant, which was a joint venture with Ball Corporation of the US.

However, PLM has now acquired Ball's 50 per cent stake in the plant, receiving SKr88m in compensation from the US group for the deal.

Following the financial reorganisation of the plant and higher prices for drinks cans, PLM said it expected the plant to show profits this year.

Increased productivity helped to lift earnings overall during 1987 at PLM's metal containers division, though earnings fell in the fourth quarter.

Christiania Bank study to be published shortly

By Karen Fosli in Oslo

CHRISTIANIA BANK, Norway's second largest bank which fell heavily into the red last year, said yesterday that the results of a management consultancy report into the bank's activities would be published shortly.

The bank, which has been forced to pass its dividend for 1987, said the report, commissioned from Spicer and Oppenheim of the UK, would clear the way for a reduction in operational costs and a realignment of international operations and management systems. The consultants have been looking into its affairs since spring 1987.

Last year, a decline in operating profits to Nkr460m (\$71m) from Nkr1.25bn was translated as the net level into losses of Nkr450m. The bank made a net profit of Nkr642m in 1986 and

paid a dividend of Nkr16.20.

The bank said the results were far worse than had been expected because of losses at its parent bank, weak results from its main Norwegian subsidiaries and disappointing performance by some foreign branches.

The year's performance was partly the result of a big jump in write-offs on loans and guarantees to Nkr760m, from Nkr296m in 1986. The bank expects a return to profit in the current year.

Interest-rate margins, the net interest as a percentage of average assets, which have previously been Christiania's main source of income, fell to 2.3 per cent last year from 2.95 per cent in 1986. For 1985 they were 3.26 per cent.

U.S. £50,000
CAISSE CENTRALE DE COOPERATION ECONOMIQUE

Floating rate notes due 1998
 Unconditionally guaranteed by the Republic of France

In accordance with the conditions of the Notes notice is hereby given that for the six-month period 16 February, 1988 to 16 August, 1988 (182 days) the notes will carry an interest rate of 7% p.a. Relevant interest payments will be as follows:
 Notes of US\$1,000 US\$35.39 per coupon

CREDIT LYONNAIS (London Branch)
 Agent Bank

James River Corporation
 has acquired fifty percent of
Kaysersberg SA
 a wholly owned subsidiary of
Beghin-Say SA
 a subsidiary of
Ferruzzi Agricola Finanziaria Spa
 Morgan Guaranty, subsidiary of J. P. Morgan & Co.,
 and Worms & Cie Finance, Groupe Worms & Cie (Paris),
 acted as financial advisors to
 James River Corporation in this transaction

J. P. Morgan & Co. **Worms & Cie Finance**

All of these Securities have been sold. This announcement appears on a matter of record only.

Nordiska Investeringsbanken
 (Nordic Investment Bank)

DM 100,000,000
 4 1/2% Bearer Notes of 1988/1991
 Issue Price 100%
1,500,000 Currency Warrants
 Issue Price DM 12.75 each

MORGAN STANLEY GMBH **DEUTSCHE BANK**
 (Aktiengesellschaft) (Aktiengesellschaft)

COMMERZBANK **DRESDNER BANK**
 (Aktiengesellschaft) (Aktiengesellschaft)

TRINKAUS & BURKHARDT KGAA **M. M. WARBURG-BRINCKMANN, WIRTZ & CO.**

WESTDEUTSCHE LANDESBANK GIROZENTRALE

February 1988

December, 1987 This announcement appears on a matter of record only.

Ireland

DM 100,000,000 Term Loan

Landesbank Rheinland-Pfalz - Girozentrale -
 Landesbank Rheinland-Pfalz International S.A.

Bayerische Hypotheken- und Wechsel-Bank AG Bank für Gemeinwirtschaft AG Landesbank Saar Girozentrale
 Hypobank International S.A. Bank für Gemeinwirtschaft AG London Branch Crédit Lyonnais Agence Luxembourg

Taiyo Kobe Finance Hongkong Limited
 U.S. \$100,000,000
 Guaranteed Floating Rate Notes due 1997

Guaranteed as to payment of principal and interest by
The Taiyo Kobe Bank, Limited

For the three month period 12th February, 1988 to 12th May, 1988 the Notes will carry an interest rate of 7% per annum with a coupon amount of U.S. \$175.00 per U.S. \$10,000 Note and U.S. \$4,375.00 per U.S. \$250,000 Note, payable on 12th May, 1988.

Bankers Trust Company, London Agent Bank

The Chase Manhattan Corporation
 U.S. \$250,000,000
 Floating Rate Subordinated Notes due 2000

For the three months 12th February, 1988 to 12th May, 1988 the Notes will carry an interest rate of 6 3/4% per annum with a coupon amount of U.S. \$170.31 per U.S. \$10,000 principal amount, payable on 12th May, 1988.

Bankers Trust Company, London Agent Bank

The Export-Import Bank of Korea
 (Established in Korea under The Export-Import Bank of Korea Act)
 U.S. \$100,000,000
 Floating Rate Notes due August 1990

For the six months 12th February, 1988 to 12th August, 1988 the Notes will carry an interest rate of 6 3/4% per annum and coupon amount of U.S. \$3,507.29 per U.S. \$100,000 Note, payable 12th August, 1988.

Bankers Trust Company, London Agent Bank

Santa Barbara Savings and Loan Association
 (Incorporated under the laws of the State of California)
 U.S. \$100,000,000
 Collateralized Floating Rate Notes Due 1996

Notice is hereby given that this Rate of Interest has been fixed at 6.6875% p.a. and that the interest payable on the relevant Interest Payment Date, May 16, 1988 against Coupon No. 7 in respect of U.S.\$100,000 nominal of the Notes will be U.S.\$1,671.88.

February 16, 1988, London
 By: Citibank, N.A. (CSS Dept.), Agent Bank **CITIBANK**

سكوا من الأصل

INTL. COMPANIES AND FINANCE

Pacific shipping reshape sparked by Showa move

BY CARLA RAPOPORT IN TOKYO

A LONG-AWAITED rationalisation of the Japanese shipping industry has begun in the crowded North Pacific shipping corridor. Showa Line, one of Japan's six leading shipping companies, plans to scrap its scheduled shipping services due to heavy losses which are primarily the result of its Pacific services. At the same time it is understood that Nippon Yusen and Mitsui OSK Lines, the two largest, are discussing plans to link their operations on the route. This could extend to sharing vessels and personnel. The moves by the various companies are being viewed as potentially the most wide-ranging reshape of Japanese shipping operations in nearly 25 years.

Japanese companies have been engaged in a fierce price-cutting battle on the North Pacific route with each other, the larger US companies and the South Koreans in recent years. Showa said the appreciation of the yen had made the price-cutting war unsustainable from its point of view. The company has been operating for some years on the North Pacific route, but most of its ships are smaller than those of the main Japanese competitors. Even these larger companies have been sustaining losses on the Pacific route. Mitsui OSK, for example, is estimated to have lost \$60m on the route last year.

Analysts predict that Showa, on sales of around ¥100bn (\$762.5m), will show a net deficit of between ¥5bn and ¥6bn for the year to this March. Showa says it intends to concentrate more on unscheduled, or tramp, shipping services. The company said yesterday that it was concerned about its customers on the North Pacific route, predicting that some of them may have difficulties if they have to pay higher rates to other companies. The group did not give a date for its withdrawal from scheduled shipping services, but it is currently in talks with the banks on the subject. According to one report, the group will quit the North Pacific route in the spring.

Clal group close to takeover of Polgat

By Andrew Whitley in Jerusalem

NEGOTIATIONS ARE at an advanced stage for the takeover of Polgat Industries, Israel's leading textile manufacturer and exporter, by the Clal group. The combined textiles and clothing interests of the two are forecast to have sales this year of \$550m. Mr. Amos Sapir, finance director of Clal (Israel), the holding company for the privately-owned industrial and financial services empire, said yesterday that Clal planned to purchase 42 per cent of Polgat's equity and 54 per cent of its voting shares, giving it effective control. The takeover bid, already agreed in principle with Mr. Israel Poliak, Polgat's 76-year-old founder and chairman, is to be put to the Clal board on Thursday. A final agreement could be signed by the end of the week. Through Kitan Consolidated, its wholly-owned textiles and retail chain subsidiary, Clal is already the second ranked manufacturer in the sector. In 1987, Kitan recorded sales of \$120m compared with Polgat's \$175m. No price has been disclosed for the purchase of Mr. Poliak's shares, but market analysts said that based on Polgat's book value of some \$60m, the transaction was likely to be worth around \$25m. The enlarged group will represent a powerful presence in the European Community clothing market, particularly in the UK and West Germany. Nearly 60 per cent of Polgat's sales last year were in the form of exports, with the Marks and Spencer chain its leading customer. Profits have been weak lately at Polgat. But the most important reason behind the change of ownership is understood to be the personal circumstances of Mr. Poliak, who has no family heir to take over the business. Kitan and Polgat are a natural fit in the resurgent Israeli textile business. Clal is likely to want to rationalise operations by combining manufacturing facilities and retail outlets wherever feasible.

More challenges to Lion deal

BY TERRY HALL IN WELLINGTON

THE PROPOSED merger between Lion Corporation, New Zealand's biggest brewer, and L.D. Nathan, the country's largest retailer, faces further challenges this week despite of a favourable legal ruling last Friday. The Auckland High Court dismissed an attempt by Malayan Breweries to gain access to documents about the deal. It was representing Singapore-based Fraser and Neave and the Dutch brewer, Heineken - between them the companies own 28 per cent of Lion. The overseas interests have been seeking to frustrate the New Zealand merger, appar-

ently because it would dilute their interest in the new grouping to 14 per cent. The next step in the battle begins on Friday, when the Securities Commission, with the backing of the New Zealand Stock Exchange, mounts a full inquiry into the proposed merger, which would form New Zealand's sixth biggest company, with annual sales of NZ\$2.1bn (US\$1.4bn). Mr Douglas Myers, Lion managing director and the biggest single shareholder in the new group, is pushing for the amalgamation because of the competitive threat posed by the

Dominion Breweries-Progressive liquor and supermarket chain controlled by Brierley Investments. The Stock Exchange pushed for the Securities Commission inquiry because the merger might break a regulation that all shareholders should be treated equally. Under the merger proposal, Lion has agreed to pay the merchant bank, Fay Riechwhite, NZ\$350m cash, or NZ\$9.20 a share, for its 35 per cent stake in Nathan. Minority shareholders are being offered a straight share swap - Nathan shares are currently only NZ\$5.40 and those in Lion NZ\$6.60.

Vesteys expand NZ interests

BY OUR WELLINGTON CORRESPONDENT

THE FINANCIALLY troubled Crown Corporation of New Zealand has sold its half share in Weddel Crown, New Zealand's second biggest meat group, to Union International, part of the business empire controlled by Lord Sam Vestey. The Vestey family of the UK has had substantial investments in New Zealand for decades but had shown signs of planning to reduce this recently. Union International insisted, however, on exercising its first option to buy the Crown shareholding in the joint venture company if it became

available. The Australian Elders group was keen to purchase but a Vestey official said the Vestey family wanted to extend their interests in the New Zealand meat industry. No price was disclosed but it is understood to be about the level of asset backing and Crown can expect about NZ\$20m (US\$13.2m). Crown has been forced into the sale following a disastrous shareholding investment in Rada Corporation, an associate of NZ Forest Products, which cost it NZ\$100m. Weddel Crown owns four

plants at Whangarei, Auckland, Cambridge and Hastings. It ranks in the meat industry after Waitaki International but remains the country's largest beef processor. The company, formerly Dalgely Crown, said its future role would involve marketing operations through exporters Crown Meat and Crown Finance, and the North American speciality food distributor, Richter Bros, bought for NZ\$31.5m in November. Operating profit was about NZ\$7.62m on turnover of NZ\$336.2m in the year to last August.

Higher gold prices boost Kidston result

BY JIM JONES IN JOHANNESBURG

KIDSTON Gold Mines, the rich Australian gold producer 70 per cent owned by Pacer Dome of Canada, lifted net profits from A\$60.50m to A\$70.34m (US\$49.8m) last year, writes Our Financial Staff. The rise was attributed mainly to higher average gold prices, which offset a fall in output to 228,195 oz from 233,380 oz. This decline was redressed in the fourth quarter, however. Sales were A\$137.7m, up from A\$124.5m.

Highveld Steel increases turnover but profits slip

BY JIM JONES IN JOHANNESBURG

HIGHVELD STEEL & Vanadium, the South African steel and ferro-alloys maker, suffered a profit decline in 1987, even though turnover increased. The year's turnover rose to R850m (\$407.6m) from R816m and pre-tax earnings fell to R74.3m from R93.1m. The directors do not say why profits dropped, though the world market for vanadium pentoxide has been affected by weak demand for speciality vanadium steels used by the oil

Philippines venture

HAMBRECHT AND QUIST, the US West Coast investment house, plans to set up a venture company in the Philippines with an initial capital of \$10m. Kester reports from Manila that Mr Jose Concepcion, Trade and Industry Secretary, said the US group was to set up a company called H&Q Philippines. Mr William Hambrecht, president, said H&Q was eyeing labour-intensive, export-oriented manufacturers as possible partners.

To the Holders of
Petroleos Mexicanos
U.S. \$100,000,000
Floating Rate Notes due 1988
(Extendable at Noteholder's Option to 1991, 1992 and 1993)

Notice of Option to Extend Maturity to 1991
Notice of Change of Specified Office of the Fiscal Agent

- On behalf of Petroleos Mexicanos and pursuant to Clause 5(D) of the Fiscal and Paying Agency Agreement dated August 14, 1981 under which the above described Notes were issued, The Industrial Bank of Japan Trust Company, as Fiscal Agent on this issue, hereby gives Noteholders notice of their right, within the period commencing September 30, 1987 and ending on March 31, 1988, but not thereafter, to have the maturity of any Note held extended to the Interest Payment Date falling in August 1991.

To exercise such right Noteholders must surrender the relevant Notes on or prior to March 31, 1988 at the offices of the following agents, in accordance with Condition 5 of the Notes:

The Development Bank of Singapore, Ltd.
DBS Building, Shenton Way
Singapore 0106
Republic of Singapore

or

The Industrial Bank of Japan, Limited
Buckingham House, 14, Wallbrook
London EC4N 3BB
United Kingdom

For further information on the procedure to be followed for the extension of the Notes, you may contact either one of these two agents.

- Notice is also given that the specified office of the Fiscal Agent for all purposes of the Notes is now 245 Park Avenue, New York, NY 10167, USA.

The Industrial Bank of Japan Trust Company
on behalf of
Petroleos Mexicanos
Dated: February 16th 1988

Electricity Generating Authority of Thailand
U.S. \$60,000,000
Guaranteed Floating Rate Notes due 1988/1991

Unconditionally guaranteed as to payment of principal interest by
The Ministry of Finance of
THE KINGDOM OF THAILAND

In accordance with the provisions of the Notes notice is hereby given that the rate of interest for the period 16th February 1988 to 16th August 1988 has been fixed at 6% per annum. On the 16th August 1988 interest of US\$ 330.73 per US\$10,000 nominal amount of the Notes, and interest of US\$ 1,762.23 per US\$ 250,000 nominal amount of the Notes will be payable against Coupon No. 10.

Agent Bank
Saudi International Bank
AL-BANK AL-SAUDI AL-ALAMI LIMITED

NOTICE OF PREPAYMENT

The Dai-ichi Kangyo Bank, Limited
(Incorporated with limited liability in Japan)

US\$35,000,000.00
Callable Negotiable Floating Rate
Dollar Certificates of Deposit

Nos. 000001 to 000035, issued on 23rd March, 1984
Maturity Date 28th March, 1989 Optionally Callable in March, 1988.

Notice is hereby given that in accordance with Clause 3 of the Certificates of Deposit (the "Certificates"), the Dai-ichi Kangyo Bank, Limited (the "Bank") will prepay all outstanding Certificates on 25th March, 1988, (the "Prepayment Date"), at their principal amount.

Payment of the principal amount, together with accrued interest to the Prepayment Date, will be made on the Prepayment Date against presentation and surrender of the Certificate at the London branch of the Bank. Interest will cease to accrue on the Certificates on the Prepayment Date.

The Dai-ichi Kangyo Bank Limited
London Branch,
122 Leadenhall Street, London, EC3V 4PA

20 & 21 JUNE 1988
TOM PETERS IN LONDON

Send your business card together with this advertisement and full details will be sent to you.

EUROMANAGEMENT
Bath House (3rd floor)
55, Holborn Viaduct
LONDON EC1A 2EX
Tel: 01-2364080
Fax: 01-4890849

in association with
International Business Communications

Wells Fargo & Company
U.S. \$250,000,000
Floating Rate Subordinated Notes, due 1997

In accordance with the provisions of the Notes, notice is hereby given that for the Interest period 16th February, 1988 to 16th May, 1988, the Notes will carry an Interest Rate of 6 3/4% per annum. Interest payable on the relevant interest payment date 16th May, 1988 will amount to US\$168.75 per US\$10,000 Note.

Agent Bank:
Morgan Guaranty Trust Company of New York
London

Malaysia
£75,000,000
10 3/4 per cent
Loan Stock 2009

S.G. Warburg & Co. Ltd. announce on behalf of Malaysia that in the six months preceding 31st January, 1988, none of the above Loan Stock was cancelled pursuant to the provisions of the Purchase Panel relating to the above Loan Stock. As at 31st January, 1988, £72,900,000 nominal amount of the above Loan Stock was outstanding.

S.G. Warburg & Co. Ltd.
Purchase Agent
16th February, 1988

U.S. \$250,000,000

BANK OF BOSTON CORPORATION
Subordinated
Floating Rate Notes Due 2001
Issued 10th February 1986

Interest Rate	6 3/4% per annum
Interest Period	16th February 1988 16th May 1988
Interest Amount per U.S. \$50,000 Note due 16th May 1988	U.S. \$843.75

Credit Suisse First Boston Limited
Agent Bank

U.S. \$150,000,000

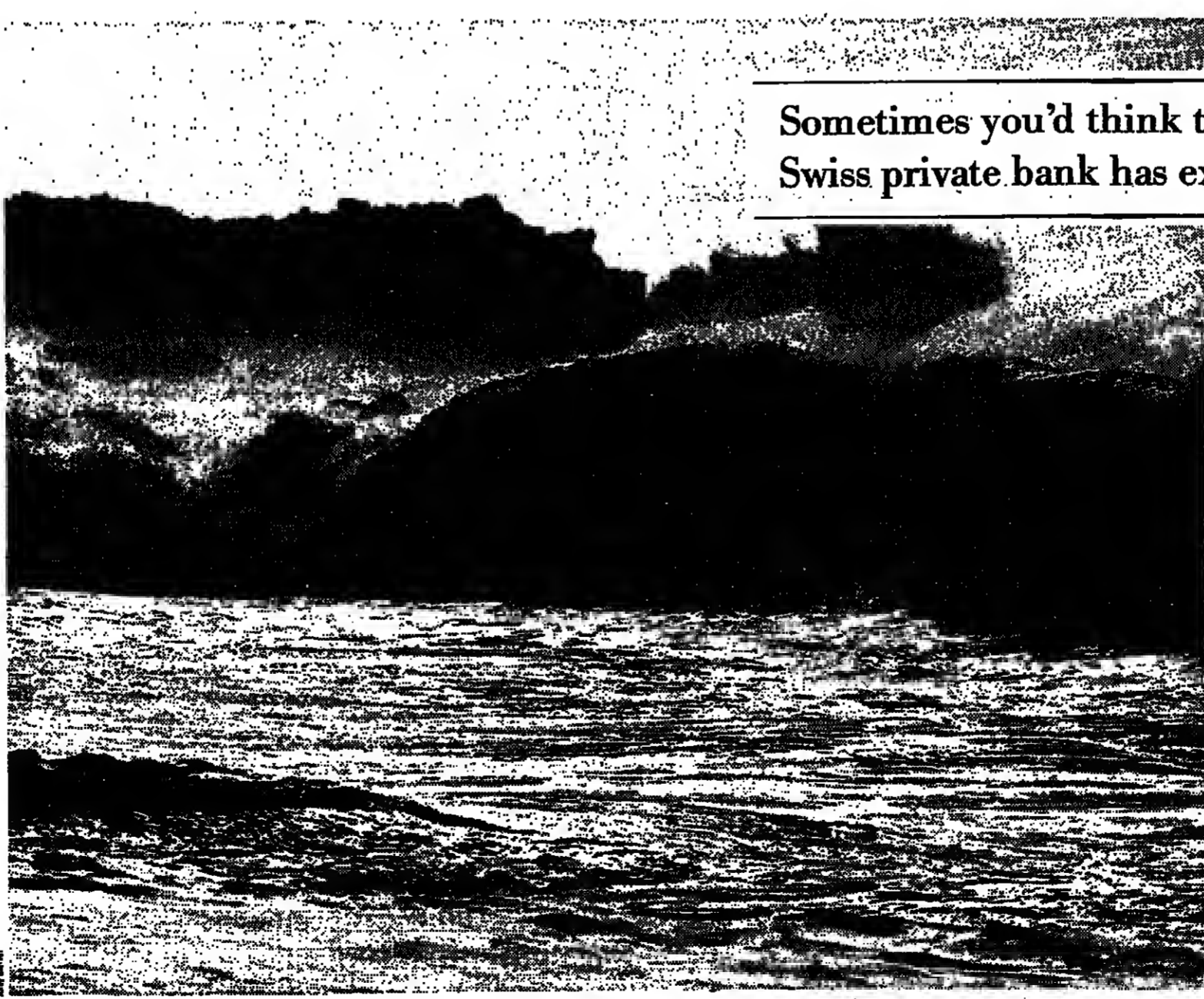
First Bank System, Inc.
Floating Rate Subordinated
Capital Notes Due 1996

Interest Rate	6 7/8% per annum
Interest Period	16th February 1988 16th May 1988
Interest Amount per U.S. \$50,000 Note due 16th May 1988	U.S. \$859.38

Credit Suisse First Boston Limited
Agent Bank

Times change and we change with them. But one of the secrets of a successful banking connection has remained constant over the centuries: devoting time to the customer. Granted, dialogs with computers are part of our everyday operations. But they will never replace the face-to-face meeting. That's why, in full awareness of the need for responsiveness and speed of action, we will always have the time to sit at a table and talk. It is a tradition we always intend to respect, as if it had existed for ever.

P.M. Incidentally, our bank was founded in 1924...



Sometimes you'd think this Swiss private bank has existed for ever.

BANK VONTOBEL
Zürich

The professionals with the personal touch.

Bank J. Vontobel & Co. Ltd.,
Bahnhofstrasse 3, CH-8022 Zurich,
Switzerland, Tel. 01 488 7111.
Vontobel USA Inc.
450 Park Avenue, New York, N.Y.
10022, USA, Tel. (212) 415-7000.

سكوا من الأصل

UK COMPANY NEWS

Dalgety in line at £47m but dividend disappoints

BY DAVID WALLER
Dalgety, food, agribusiness and commodities group, yesterday delivered an 11 per cent increase in pre-tax profits for the six months to December 31.

disposals of Associated British Malsters, Balfour Guthrie (Canada) and a number of smaller companies for \$117m in total, and bought Preservedbedrijf in Holland for \$18m.

Agribusiness mustered a 16 per cent rise to £16.2m (£14.1m), primarily because Dalgety has now consolidated profits from its Australian foodstuffs subsidiary after taking its stake from 49 to 60 per cent.

Raymond Snoddy on Pearson's £162.2m purchase of US publisher, Addison-Wesley
Paying the price of culture

SO FAR as publishing acquisitions were concerned, Pearson was in danger of getting a reputation as a welcome and desirable suitor who lost out at the last minute to a hard-nosed rival.

The company was sold as the result of a highly confidential private auction - in which arranging a match of corporate cultures was almost as important as the money involved.



James Joll (left) finance director of Pearson, Lord Blakenham, the group's chairman, and Tim Rix, chairman and chief executive of Longman Holdings.

Oil price lift for Triton Europe

HIGHER OIL prices helped Triton Europe, which is 50 per cent owned by Triton Energy of Dallas, to report after tax profits of £2.2m for the six months to November 30, against a £1.3m loss for the corresponding period.

the year-end results, Triton has used a revised accounting policy for foreign exchange differences which includes unrealised foreign exchange movements and the foreign taxation of unrealised gains until they are realised.

unlikely to have done much to change Triton's understated personality as far as interest in London is concerned. With a good increase in volumes and oil prices, the income reported was in line with expectations.

Under the deal, Pearson has entered into an agreement to acquire the US company for \$105 cash a share. The UK publisher will soon launch a tender offer for all of the outstanding 'A' and 'B' shares of Addison-Wesley, but already has commitments covering 90 per cent of the voting shares that control the company and options to purchase 32 per cent of the 'B' shares.

that are capable of competing successfully on a global basis. The strategy could be seen in Penguin's purchase of the New American Library in 1986, and in the international expansion of the Financial Times - both in printing and distributing abroad - and in the purchase of stakes in other business newspapers.

BET in £6.8m N. American acquisitions

BET, the international services group has made three acquisitions of privately-owned North America businesses, for \$6.8m in cash.

Staveley US expansion via £12m cash deal

Staveley Industries' US subsidiary Staveley Inc has agreed to purchase four divisions of Quacorp Inc from Penn Central Corp for £12m cash.

strategy to diversify the group's interests out of minerals. Staveley's British Salt subsidiary is the group's main generator of profits, Mr Kent said.

Merrett still aiming for listing

Merrett Holdings, a leading Lloyd's underwriting and insurance services group, yesterday reported pre-tax profits of £4.33m for the nine months to September 30 1987, against £5.31m for the 12 months to December 31 1986.

Euro Assets nav lower

The net asset value of European Assets Trust fell to £1.51 from £1.82 at the 12 months to December 1987.

IN BRIEF

RECORDED HOLDINGS has completed the acquisition of four businesses from Christy Hunt for £1.23m cash.

SAUDI ARABIA

The Financial Times proposes to publish this survey on: 5th APRIL. For a full editorial synopsis and advertisement details, please contact: HUGH SUTTON on 01-248 8000 ext 3238

Table with 5 columns: Company, Current payment, Date, Corres. Dividend, Total for year. Rows include Dalgety, Euro Assets Trst, Ewart, Honeyuckle Gps.

Consolidation of last year's purchase, Weigh-Tronix, together with the latest acquisitions could take the contribution to profits from the measurements division up to the level contributed by British Salt in the current year, he added.

However, administration expenses amounted to £4.44m for the period, against £2.69m. Salaries, national insurance and pension costs amounted to £7.6m, virtually unchanged from those costs for the whole of 1986. The company was only able to recover \$4.95m of costs from the managed syndicates, against \$6.1m in 1986.

However, they believed that the current bear market was likely to lead to significant undervaluations and create buying opportunities. This, together with the company's liquidity, would provide basis for future growth.

However, they believed that the current bear market was likely to lead to significant undervaluations and create buying opportunities. This, together with the company's liquidity, would provide basis for future growth.

Petrocorp Overseas Finance Limited. NOTICE to the holders of the outstanding ECU 75,000,000 9 per cent Guaranteed Bonds Due 1993 of the Issuer. NOTICE IS HEREBY GIVEN to the holders of the above Bonds that at the Meeting of the said holders convened by the Notice published in the Financial Times and the Luxembourg Press on 17th November 1987 and held on Friday, 17th December, 1987, the outstanding ECU 75,000,000 9 per cent Guaranteed Bonds were duly passed.

SUMMARY OF RESULTS (year to 30 September 1987). Table with 2 columns: 1987, 1986. Rows include Turnover, Profit before Tax, Profit after Tax, Earnings per share, Dividend per share, Dividend cover (times). Below the table is a list of key achievements and a large logo for PLAXTON.

HALCYON DAYS To Commemorate The Centenary of The Financial Times. Commissioned to celebrate the founding of the newspaper in 1868. The Bracken House headquarters in Cannon Street, London is surrounded by columns of newspaper, appropriately stipped in pink. £52. A limited edition of 500 books. Halcyon Days, 14 Brook Street, London W1Y 1AA

Handwritten Arabic text: كسوا من الأصل

UK COMPANY NEWS

EPIC revalues property assets

BY PAUL CHEESBRIGHT, PROPERTY CORRESPONDENT

Estatee Property Investment Company yesterday produced a revaluation of its property assets and forecast increased profits and dividends as the key elements of its defence against a £58.5m takeover bid from Peachey Property.

Peachey, however, classified the asset value as disappointing and made it clear that it would continue with its bid. Its formal offer document is expected to be posted to EPIC shareholders this week.

Mr Dennis Poole, EPIC managing director, said there was "more potential for EPIC in staying independent." The company was not for sale, but he added that "if another offer came at a realistic level, we can't be sentimental about it."

EPIC first disclosed on January 12 that it had received offers for the company, but its future has been unsettled since last autumn when London Securities sought control and captured 25 per cent of the equity.

There are "three or four" companies seriously looking at EPIC, Mr Poole noted. "All have said they only want to do it on a friendly basis."

Revaluation of EPIC's assets at 31 January has given the company a property portfolio of £105.4m, or, fully diluted and taking into account the intended payment of a higher final dividend for the current financial year, a net asset value of 268p a share.

The Peachey offer was pitched at 240p, the same price

as that at which London Securities acquired its stake, which represented a premium over EPIC's fully diluted net asset value per share at March 31 1987 of 214p. London Securities has conditionally accepted the Peachey offer.

Although EPIC's property values have turned out to be broadly in line with those discussed by Peachey and EPIC during the bid talks last month, the asset value per share has been increased by EPIC's dividend and profit forecast.

EPIC is predicting for the year to the end of April pre-tax profits of £4.2m and earnings per share of 15.7p, respectively 11 per cent and 22 per cent, more than in the 1986-87 financial year. The directors are also planning a final dividend of 7p,

to bring 1987/88 payments to shareholders up to 10p from 9p in 1986/87.

The attraction of EPIC to Peachey is that 76 per cent of its portfolio is in industrial property, a sector of the market which has revived after lean years. EPIC argues in its defence against the bid that its own shareholders should profit from the revival. It maintains that there is the opportunity "to generate significantly greater value from its portfolio than the valuation suggests."

Publication of the defence document, however, had no impact on the EPIC share price, despite the general strength of the sector, and it closed unchanged at 245p. Peachey shares rose 4p to 385p.

TSB paid £2m fee to Lazard Brothers

by David Lascelles

THE Trustee Savings Bank paid a fee of £2m to Lazard Brothers, the merchant bank, for its assistance in the acquisition of the Hill Samuel group last year, according to Sir John Head, the chairman, in the TSB's annual report issued yesterday. Sir John dismissed speculation that the fee was £4m as "totally inaccurate".

Sir John, who previously declined to disclose the fee paid for the £777m acquisition, had also played down speculation of a boardroom row in the TSB over the size of the fee.

The annual report shows a shift in the composition of the TSB's shareholders towards institutions. These now hold 80 per cent of the shares compared to 16 per cent last year. But 99 per cent of the shareholders still have fewer than 5,000 shares each.

Blue Circle's Birmid takeover awaits Takeover Panel check

BY MICHAEL SMITH

Birmid Qualcast, lawnmower, boiler and cooker group, was last night still clinging on to the hope of preserving its independence after the Takeover Panel agreed to check the final stages of Blue Circle's takeover battle for the company.

S.G. Warburg, advisor to Birmid, said it had no reason to believe any rules had been infringed but it asked the Panel to step in because of closeness of the result.

The Takeover Code relies on a bidding company's merchant bank advisor and receiving bank to count the shares in a vote. However, the Panel said that, because the victory margin had been so narrow in the Birmid bid, it had agreed to order a report from Blue Circle and its advisors.

Blue Circle had earlier declared the offer wholly unconditional after its weekend

announcement that it owned or controlled 50.01 per cent of Birmid's equity.

Hoare Govett, its broker, was back in the market for more shares yesterday, although it was understood to have bought a relatively small number.

Meanwhile the fund management arm of Barclays de Zoete Wedd explained why it had supported Birmid in the bid after earlier saying it would vote its holding, amounting to 1.5 per cent of the equity, in favour of the £275m Blue Circle bid. Mr David Acland, chairman of BZW Investment Management, said the issue had always been finely balanced because both sides had compelling arguments.

Last Tuesday BZW were preparing to back Blue Circle because it appeared Blue Circle would win in a straight-forward way," Mr Acland said.

"When it emerged later how close the decision would be - and how pivotal our holding could be - we were not prepared to vote against Birmid because of the results it had produced for shareholders in the past."

BZW's change of heart angered the Blue Circle camp which only became aware of the decision on Friday night, the day before the offer closed.

"We expected the finish to be close - but comfortably so," said Mr David Poole, managing director, yesterday. "In the end it was uncomfortably close."

Sir John Milne, Blue Circle chairman, said he was disappointed with BZW. "We are a bit in the dark as to who makes decisions there."

BZW Investment Management also has a stake in Blue Circle. It originally cited this as one reason for supporting the cement company.

Support for Japan Assets reconstruction

By Dominique Jackson

Anglo & Overseas Trust said yesterday it would support plans by Ivory and Sime for the reconstruction of Japan Assets Trust in which Anglo & Overseas holds a 29.2 per cent stake.

Ivory and Sime, the Scottish management company which runs Britain's third largest investment trust stable, last month announced a complex restructuring package for three of its funds, among them, Japan Assets Trust which has net assets of around £72m.

Anglo & Overseas, which is the biggest shareholder in Japan Assets, said it would support the reconstruction in the absence of any alternative proposals which took into account the best interests of all Japan Assets shareholders.

Anglo & Overseas said it would vote in favour of the reconstruction at the forthcoming Japan Assets extraordinary meeting.

The Ivory and Sime scheme, involving three separate trusts with a combined asset value of around £300m, is one of the largest deals in a recent series of investment trust reconstruction packages.

Contl Microwave in US buy

BY HEATHER FARMBOUGH

Continental Microwave, USM-quoted specialist in microwave technology, added to its US interests yesterday by acquiring a division of North Hill Electronics.

The division's main business is the engineering and production of microwave components for aircraft landing and telephone systems.

We principally have our eye on military style contracts available in the US for micro-

wave products," said Mr David Young, chairman of Continental Microwave, "although there is a very good engineering team which will help the rest of the group."

The company is paying \$550,000 (£315,270) for an order book worth \$70,000, work in progress valued at \$200,000 and test equipment of \$350,000. It will also need a further \$450,000 of working capital, to bring the total investment up to about \$1m. This has been funded by the placing of 250,000 shares in Continental Microwave by Stock Beach, and by cash from existing facilities.

Turnover for the division for the year to January 31 is expected to be about \$750,000. Continental Microwave reported pre-tax profits for the year to June of £1.26m, on turnover of £14.55m.

Changes in company share stakes announced over the past week include:

AGB Research: TR Industrial & General Trust holds 2.2m ordinary shares (5.11 per cent) - the date of the interest becoming notifiable was February 5.

Albion: Harvard Securities Nominees have reduced holding from 236,500 to 189,500 shares (5.05 per cent). The trustees of Harvard Securities Pension Fund have increased holding to 225,000 (6 per cent).

Finley (Games): John Swire & Sons acquired 500,000 ordinary shares and now holds 28,73m ordinary (30.0015 per cent of ordinary capital and 22.9339 per cent of voting rights).

GT Japan Investment Trust: Kuwait Investment Office has reduced its holding to 4.2m ordinary shares (13.46 per cent).

Marling Industries: Melton Medea, Nottingham-based industrial group and its chairman, Nathan Puri, have increased their interest to 2.5m.

Union Bank net income down slightly

Union Bank, subsidiary of Standard Chartered, saw net income fall slightly to \$58.27m (£32.25m) from \$68.51m in the year to end-December 1987. Standard plans to sell this US based subsidiary at the end of the month.

Union has made a provision of \$103m (\$50.4m) for credit losses. Net interest income in the period under review rose from \$407.03m to \$428.1m. Applicable income taxes amounted to \$31.08m, against \$59.64m.

Pension Fund Investment

The Financial Times proposes to publish a Survey on the above on **Thurs 21st April 1988**

For a full editorial synopsis and details of available advertisement positions, please contact:

David Owen
on 01-248-8000 ext 3300

or write to him at:
Bracken House, 10 Cannon Street
London EC4P 4BY.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Stanley Leisure acquisitions

Stanley Leisure has agreed to acquire Arthur Wilson and Central Sporting Agents which trade as Central Racing. Stanley Racing, a wholly-owned subsidiary of Stanley Leisure, has acquired the freehold and long leasehold properties used by the companies.

The consideration is £694,000, of which £109,000 relates to the freehold and long leasehold properties. A further payment equivalent to the net current assets will be payable in cash. On October 1 1987, the audited accounts of the two companies showed net current assets of £162,671, including £121,207 cash.

SHARE STAKES

Changes in company share stakes announced over the past week include:

AGB Research: TR Industrial & General Trust holds 2.2m ordinary shares (5.11 per cent) - the date of the interest becoming notifiable was February 5.

Albion: Harvard Securities Nominees have reduced holding from 236,500 to 189,500 shares (5.05 per cent). The trustees of Harvard Securities Pension Fund have increased holding to 225,000 (6 per cent).

Finley (Games): John Swire & Sons acquired 500,000 ordinary shares and now holds 28,73m ordinary (30.0015 per cent of ordinary capital and 22.9339 per cent of voting rights).

GT Japan Investment Trust: Kuwait Investment Office has reduced its holding to 4.2m ordinary shares (13.46 per cent).

Marling Industries: Melton Medea, Nottingham-based industrial group and its chairman, Nathan Puri, have increased their interest to 2.5m.

Leaders in Corporate Divestments

12 transactions worth £1 billion in 1987

Rotterdam

The Financial Times proposes to publish this survey on:
29th March 1988

For a full editorial synopsis and details of available advertisement positions, please contact:

Mr Richard Willis, Financial Times (Benelux) Ltd
Herengracht 472, 1017 CA Amsterdam on (020) 23 94 30

or write to Mr Robert Leach at:
Bracken House
10 Cannon Street
London
EC4P 4BY

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Full Colour Residential Property Advertising

APPEARS EVERY SATURDAY
Rate £40 per Single Column Centimetre.

TEL CAROL HANEY
01-489 0030

<p>Mazrace Limited</p> <p>has acquired the business of MFI Furniture Group plc from ASDA-MFI Group PLC</p> <p>We acted as financial adviser to the vendors</p> <p>Kleinwort Benson Limited</p> <p>September 1987</p>	<p>Sharp & Law PLC</p> <p>has acquired the business of The BFN Group from Hoogovens Groep BV</p> <p>We acted as financial adviser to the vendors</p> <p>Kleinwort Benson Limited</p> <p>December 1987</p>	<p>la Banque Indosuez</p> <p>has acquired l'Union Financiere de France S.A.</p> <p>We acted as financial adviser to the vendors</p> <p>Kleinwort Benson Limited</p> <p>July 1987</p>	<p>Williams Holdings PLC</p> <p>has acquired the Paint & DIY Products Division of Reed International PLC</p> <p>We acted as financial adviser to the vendors</p> <p>Kleinwort Benson Limited</p> <p>July 1987</p>
<p>Pleasurama PLC</p> <p>has acquired the business of Amreon Entertainments from Whitbread and Company, PLC</p> <p>We acted as financial adviser to the vendors</p> <p>Kleinwort Benson Limited</p> <p>September 1987</p>	<p>Premier Brands Limited</p> <p>has acquired the business of Ridgways from Tate & Lyle PLC</p> <p>We acted as financial adviser to the vendors</p> <p>Kleinwort Benson Limited</p> <p>September 1987</p>	<p>Warner-Lambert Company</p> <p>has acquired Henara plc</p> <p>We acted as financial adviser to the vendors</p> <p>Kleinwort Benson Limited</p> <p>January 1987</p>	<p>Granada Group PLC</p> <p>has acquired Teletape Video Limited</p> <p>We acted as financial adviser to the vendors</p> <p>Kleinwort Benson Limited</p> <p>August 1987</p>
<p>B.S.G. International plc</p> <p>has acquired Restmor Group PLC</p> <p>We acted as financial adviser to the vendors</p> <p>Kleinwort Benson Limited</p> <p>January 1987</p>	<p>EMAP plc</p> <p>has acquired Courier Press (Holdings) Ltd</p> <p>We acted as financial adviser to the vendors</p> <p>Kleinwort Benson Limited</p> <p>May 1987</p>	<p>Simon Engineering plc</p> <p>has acquired Colin G.R. Booth (Holdings) Limited</p> <p>We acted as financial adviser to the vendors</p> <p>Kleinwort Benson Limited</p> <p>January 1987</p>	<p>RMC Group plc</p> <p>has acquired the business of Oates Builders Merchants Limited</p> <p>We acted as financial adviser to the vendors</p> <p>Kleinwort Benson Limited</p> <p>July 1987</p>

This announcement appears as a matter of record only.

HOME BRIDGING
a Collins-Wilde Group Company

£25,000,000 SUPPLEMENTAL REVOLVING FACILITY

AGENT

ARBUTHNOT LATHAM BANK LIMITED

PROVIDED BY

Bank of Ireland
Creditanstalt-Bankverein
The Hongkong and Shanghai Banking Corporation
Frankfurt Bukarest Bank AG
Banco Totta & Acores
NMB Bank, London Branch
Royal Trust Bank (Switzerland)
Al Sandi Banque
Arbuthnot Latham Bank Limited
Crédit Commercial de France
Swiss Cantobank (International)

The Kleinwort Benson Group

Kleinwort Benson's Mergers & Acquisitions Department provides a specialist service to companies seeking to divest non-strategic businesses and to companies seeking mergers with commercial or industrial partners. Enquiries: Michael Martin 01-623 8000.

CURRENCIES MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound firm as dollar drifts

THE DOLLAR drifted lower, in reaction to a larger than expected Japanese trade surplus in January. It gained some support from the US trade news last Friday, but trading was quiet, with New York closed for Washington's birthday.

Frankfurt trading, the West German Bundesbank did not intervene when the dollar was fixed at DM1.7078 in Frankfurt, compared with DM1.6971 on Friday. This was the highest fixing level since November 16, last year.

On the other hand the dollar was below late New York levels on Friday, on profit taking. JAPANESE YEN - Trading range against the dollar in 1987/88 is 169.45 to 121.35. January average 127.77. Exchange rate index 238.8 against 218.7 six months ago.

Trading in Tokyo was influenced by reaction to the US and Japanese trade figures. The dollar was supported by Friday's news of a lower than expected US trade deficit in December. January's Japanese trade surplus, showed the ninth consecutive monthly reduction, but the decline in the surplus, to \$3.07bn, from \$4.31bn at the same time last year, was not as much as an forecast. Dealers were generally looking for a figure of around \$2.40bn.

STERLING

STERLING - Trading range against the dollar in 1987/88 is 1.8785 to 1.4710. January average 1.8001. Exchange rate index rose 0.1 to 74.5 compared with 72.5 six months ago. Sterling moved higher as the dollar drifted down. The pound's former trend reflected speculation that UK interest may rise, as fears increase about overheating in the economy.

FINANCIAL FUTURES

Gilt prices hold steady

TRADING VOLUME was restricted in Liffe yesterday by the closure of US markets for Washington's birthday. Long term gilt prices traded in a narrow range, as did three-month sterling deposits. Many investors were content to remain on the sidelines ahead of today's UK PSBR figures and bank lending on Thursday.

EMU EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Unit, Rate, % change, Disparity %

PHILADELPHIA SIX MONTHS

Table with columns: Strike, Call, Put, Price, % change

NEW YORK

Table with columns: Item, Price, % change

STERLING INDEX

Table with columns: Item, Price, % change

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table with columns: Country, Rate, % change

EURO-CURRENCY INTEREST RATES

Table with columns: Country, Rate, % change

OTHER CURRENCIES

Table with columns: Country, Rate, % change

CURRENCY MOVEMENTS

Table with columns: Country, Movement, % change

EXCHANGE CROSS RATES

Table with columns: Country, Rate, % change

FT LONDON INTERBANK FIXING

Table with columns: Item, Rate, % change

NEW YORK

Table with columns: Item, Rate, % change

LONDON MONEY RATES

Table with columns: Item, Rate, % change

MONEY MARKETS

UK rates uncertain ahead of data

INTEREST RATES were slightly lower at the short end but moved firmer in longer dated periods in London yesterday. Attention tended to focus on important UK data, due for release later this week.

FT LONDON INTERBANK FIXING

Table with columns: Item, Rate, % change

NEW YORK

Table with columns: Item, Rate, % change

LONDON MONEY RATES

Table with columns: Item, Rate, % change

OTHER CURRENCIES

Table with columns: Country, Rate, % change

UK clearing bank base

UK clearing bank base lending rate 8 per cent from February 2

FT LONDON INTERBANK FIXING

Table with columns: Item, Rate, % change

NEW YORK

Table with columns: Item, Rate, % change

LONDON MONEY RATES

Table with columns: Item, Rate, % change

OTHER CURRENCIES

Table with columns: Country, Rate, % change

GUINNESS FLIGHT INTERNATIONAL MONEY FUNDS. The way the informed investor manages his cash...

MIKUNI'S CREDIT RATINGS on over 3,600 bond issues and about 900 short-term notes.

MORE ABOUT COMMODITIES? The major and minor markets worldwide are covered in-depth: prices, news, reports, daily (since 1760) and weekly in the Public Ledger and Commodity Week.

PROPERTY TO RENT. Furnished lettings, Company and Embassy Lets, Long and Short Term.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on Monday, February 15, 1988.

Large table with columns: COUNTRY, CURRENCY, VALUE OF £ STERLING

TRADE INDEMNITY EXPORT FINANCE SERVICES. 01-739-9939

LONDON RECENT ISSUES

Table of London recent issues with columns for Series, Vol, Last, and Price. Includes sub-sections for Feb 88, May 88, and Apr 88.

BASE LENDING RATES

Table of base lending rates for various banks and financial institutions, including columns for Bank Name and Rate.

CLASSIFIED ADVERTISEMENT RATES

Table of classified advertisement rates with columns for Ad Type, Per line, and Single/Col cm.

FT CROSSWORD No.6,557

Crossword puzzle grid with numbered squares and a grid of letters.

ACROSS and DOWN clues for the crossword puzzle, including 'The old sailor moves back without notice' and 'I yet a crooked dealer may deal himself one'.

AUTHORISED UNIT TRUSTS

Large table listing authorized unit trusts, including names like Abbey Unit Trust, Abn Management Ltd, and various investment funds.

FT UNIT TRUST INFORMATION SERVICE

Main table of unit trust information service, listing numerous unit trusts such as Abbey Unit Trust, Abn Management Ltd, and many others with their respective details.

Handwritten text at the bottom of the page: 'صكنا من الاموال'

Wall Street

FT UNIT TRUST INFORMATION SERVICE

Main table containing financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

INSURANCES

Table listing insurance companies and their respective unit trusts, including details on policy types and terms.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Table listing various unit trusts and their performance metrics, including columns for fund names, managers, and returns.

Table listing LONDON SHARE SERVICE, BRITISH FUNDS, FOREIGN BONDS & RAILS, AMERICANS, INT. BANK AND O'SEAS GOVT STERLING ISSUES, CORPORATION LOANS, COMMONWEALTH & AFRICAN LOANS, and LOANS.

Handwritten signature or note at the top center of the page.

Continued on next page

Money Market Trust Funds

Table listing Money Market Trust Funds with columns for fund name, manager, and performance.

Money Market Bank Accounts

Table listing Money Market Bank Accounts with columns for bank name, account type, and interest rate.

UNIT TRUST NOTES

UNIT TRUST NOTES providing additional information and disclaimers for the unit trusts listed.

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American stocks with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing Building, Timber, and Roads stocks with columns for stock name, price, and change.

DRAPERY AND STORES - Contd

Table listing Drapery and Stores stocks with columns for stock name, price, and change.

ENGINEERING - Contd

Table listing Engineering stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

CANADIANS

Table listing Canadian stocks with columns for stock name, price, and change.

ELECTRICALS

Table listing Electrical stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

BANKS, HP & LEASING

Table listing Banks, HP & Leasing stocks with columns for stock name, price, and change.

CHEMICALS, PLASTICS

Table listing Chemicals and Plastics stocks with columns for stock name, price, and change.

DRAPERY AND STORES

Table listing Drapery and Stores stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

BEERS, WINES & SPIRITS

Table listing Beers, Wines & Spirits stocks with columns for stock name, price, and change.

DRAPERY AND STORES

Table listing Drapery and Stores stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing Building, Timber, and Roads stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing Industrial (Miscellaneous) stocks with columns for stock name, price, and change.

LONDON SHARE SERVICE

Wall Street

INSURANCES - Contd

Table of insurance companies including Royal Indemnity, Overseas Indemnity, and others, with columns for stock price, change, and volume.

LEISURE

Table of leisure companies including Leisure Group, Leisure Leisure, and others, with columns for stock price, change, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies including Rover, Rover Group, and others, with columns for stock price, change, and volume.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies including News International, Newsprint, and others, with columns for stock price, change, and volume.

PAPER, PRINTING, ADVERTISING - Contd

Table of paper, printing, and advertising companies including Paper Direct, Paper Direct, and others, with columns for stock price, change, and volume.

PAPER, PRINTING, ADVERTISING - Contd

Table of paper, printing, and advertising companies including Paper Direct, Paper Direct, and others, with columns for stock price, change, and volume.

PROPERTY

Table of property companies including Property Group, Property Group, and others, with columns for stock price, change, and volume.

SHIPPING

Table of shipping companies including Shipping Group, Shipping Group, and others, with columns for stock price, change, and volume.

SHOES AND LEATHER

Table of shoes and leather companies including Shoes Group, Shoes Group, and others, with columns for stock price, change, and volume.

SOUTH AFRICANS

Table of South African companies including South African Group, South African Group, and others, with columns for stock price, change, and volume.

TEXTILES

Table of textile companies including Textiles Group, Textiles Group, and others, with columns for stock price, change, and volume.

TEXTILES - Contd

Table of textile companies including Textiles Group, Textiles Group, and others, with columns for stock price, change, and volume.

TABBACOS

Table of tobacco companies including Tobacco Group, Tobacco Group, and others, with columns for stock price, change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including Trusts Group, Trusts Group, and others, with columns for stock price, change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including Trusts Group, Trusts Group, and others, with columns for stock price, change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including Trusts Group, Trusts Group, and others, with columns for stock price, change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including Trusts Group, Trusts Group, and others, with columns for stock price, change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including Trusts Group, Trusts Group, and others, with columns for stock price, change, and volume.

TRUSTS, FINANCE, LAND - Contd

Table of trusts, finance, and land companies including Trusts Group, Trusts Group, and others, with columns for stock price, change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including Trusts Group, Trusts Group, and others, with columns for stock price, change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including Trusts Group, Trusts Group, and others, with columns for stock price, change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including Trusts Group, Trusts Group, and others, with columns for stock price, change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including Trusts Group, Trusts Group, and others, with columns for stock price, change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including Trusts Group, Trusts Group, and others, with columns for stock price, change, and volume.

OIL AND GAS - Contd

Table of oil and gas companies including Oil Group, Oil Group, and others, with columns for stock price, change, and volume.

OIL AND GAS

Table of oil and gas companies including Oil Group, Oil Group, and others, with columns for stock price, change, and volume.

OIL AND GAS

Table of oil and gas companies including Oil Group, Oil Group, and others, with columns for stock price, change, and volume.

OIL AND GAS

Table of oil and gas companies including Oil Group, Oil Group, and others, with columns for stock price, change, and volume.

OIL AND GAS

Table of oil and gas companies including Oil Group, Oil Group, and others, with columns for stock price, change, and volume.

OIL AND GAS

Table of oil and gas companies including Oil Group, Oil Group, and others, with columns for stock price, change, and volume.

MINES - Contd

Table of mines companies including Mines Group, Mines Group, and others, with columns for stock price, change, and volume.

MINES

Table of mines companies including Mines Group, Mines Group, and others, with columns for stock price, change, and volume.

MINES

Table of mines companies including Mines Group, Mines Group, and others, with columns for stock price, change, and volume.

MINES

Table of mines companies including Mines Group, Mines Group, and others, with columns for stock price, change, and volume.

MINES

Table of mines companies including Mines Group, Mines Group, and others, with columns for stock price, change, and volume.

MINES

Table of mines companies including Mines Group, Mines Group, and others, with columns for stock price, change, and volume.

REGIONAL & IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Table of regional and Irish stocks including Alton, Alton, and others, with columns for stock price, change, and volume.

TRADITIONAL OPTIONS

3-month call rates

Table of traditional options including Alton, Alton, and others, with columns for stock price, change, and volume.

LONDON STOCK EXCHANGE

Equities edge forward for fifth session in a row but bonds ease as sterling rallies

Leading stocks crept forward for the fifth straight trading session yesterday drawing encouragement from the improvement in January's US trade deficit...

The recovery was largely technical for it coincided with a recovery in the sterling/dollar rate. Worries over the 0.75 per cent rise in January retail sales...

Volume dwindled further with a relatively high number of international and Alpha stocks unable to record volumes in excess of 1m shares...

Shearson Lehman points out in its latest weekly Gilt monitor "with the US trade figures out of the way, the market has to track its next hurdle - bank lending..."

Equity marketmakers opened prices higher expecting some follow-through to Friday's US economic data. Hopes were also raised by the announcement yesterday of the latest Japanese trade figures...

Index-linked bonds suffered losses ranging to nearly 1/2-point, although the sector is said to have more appeal than conventional Gilts...

Before any serious harm was inflicted on the market, however, prices steadied following the announcement of new peace talks at Ford Motor...

The major clearing banks edged forward ahead of a forthcoming annual dividend season. Midland, the first to report on Thursday, firmed \$1 to 408p...

FINANCIAL TIMES STOCK INDICES table with columns for indices (1987/88, 1987/87) and share completion (High, Low, High, Low) for various sectors like Government Sec., Fixed Interest, Ordinary V., Gold Mines, etc.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

recently acquired Tip Top, edged up 3 to 263p. A. G. Stanley, the subject of persistent speculative activity last week, firmed 3 more to 180p...

GEC, which formally signed a contract in Peking for the oil-fired station project, worth \$165m in equipment supply, were barely altered...

GNK edged up a few pence to 504p sentiment being helped by news that new peace talks between the Ford Motor company and Unions are to be held today...

ing, rose 5 to 805p. Dalgety, a poor performer recently, gave fresh ground on the interim trading statement, the shares closing 6 lower at 256p...

The major international stocks rarely strayed from previous closing levels. Glaxo edged up a shade to 630p while BT, one of the more actively traded stocks...

Tottenham Hotspur attracted fresh demand ahead of the interim results due at the end of the month and closed 6 higher at 126p, after 128p...

gin Group moved up 5 to 152p. Lex Service, the Volvo cars importer and distributor, featured Motors sectors with a gain of 11 at 305p...

Comment on bid possibilities directed fresh attention to Reed International which put on 10 to 410p. Associated Newspaper continued its recent recovery...

Comment on bid possibilities directed fresh attention to Reed International which put on 10 to 410p. Associated Newspaper continued its recent recovery...

De Zoete Wedd. Breweries traded on a steady firm note. A switch recommendation from Scottish and Newcastle into Beas generated a little interest in the latter which moved ahead to close 13 dearer at 78p...

George Wimpey, the major UK construction group whose shares have attracted considerable speculative attention recently, gave a muted response to the disclosure that fellow building concern C.E. Beazer holds a 1.4 per cent stake in the company...

Share Drags reacted 15 to 300p as the company revealed an agreed cash offer worth 305p per share from Woolworth. The latter, which only unchanged at 380p, the company has purchased Stottelmyer and Shoemaker, a building materials supplier based in Florida, for \$9.15m...

Among Chemicals, Laporte gave moderate ground following a broker's bearish circular to close 6 cheaper at 378p, but Leigh Intestars gained 9 to 194p following the appearance of a single sizeable buyer in a thin market...

The provisional retail sales figure for January, which recorded a rise of 0.75 per cent, lent weight to a firmer trend in the leading Stores but failed to generate much in the way of trading activity...

GNK edged up a few pence to 504p sentiment being helped by news that new peace talks between the Ford Motor company and Unions are to be held today...

Life Insurances barely stirred, but Lloyds brokers attracted some interest on thoughts that the US dollar may stage a recovery following recent US economy data...

Recent takeover favourite Manders eased back on profit-taking in the absence of developments to close 14 down at 354p, after 351p, but Williams International firmed 5 to 263p...

Among Chemicals, Laporte gave moderate ground following a broker's bearish circular to close 6 cheaper at 378p, but Leigh Intestars gained 9 to 194p following the appearance of a single sizeable buyer in a thin market...

The provisional retail sales figure for January, which recorded a rise of 0.75 per cent, lent weight to a firmer trend in the leading Stores but failed to generate much in the way of trading activity...

GNK edged up a few pence to 504p sentiment being helped by news that new peace talks between the Ford Motor company and Unions are to be held today...

GNK edged up a few pence to 504p sentiment being helped by news that new peace talks between the Ford Motor company and Unions are to be held today...

FT - ACTUARIES INDICES table with columns for Equity Groups & Sub-sections, Monday February 15 1988, Index No., Day's Change %, etc.

Table with columns for Index No., Day's Change %, etc. for various equity groups.

FIXED INTEREST table with columns for Price, Index, Yield, etc. for various fixed interest instruments.

Table with columns for Price, Index, Yield, etc. for various fixed interest instruments.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

LONDON TRADED OPTIONS table with columns for Calls, Puts, Apr, May, Jun, etc. for various options.

* Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday Digest. A new list of constituents is available from the Publishers, The Financial Times, Brackley House, Cannon Street, London EC4A 3DF, price 15p, by post 32p.

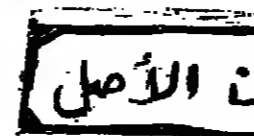
TRADING VOLUME IN MAJOR STOCKS table with columns for Stock, Volume, etc.

RISES AND FALLS YESTERDAY table with columns for British Funds, Rises, Falls, Same.

LONDON RECENT ISSUES table with columns for Issue, Price, etc.

FIXED INTEREST STOCKS table with columns for Issue, Price, etc.

RIGHTS OFFERS table with columns for Issue, Price, etc.



World is flat

WORLD STOCK MARKETS

Table of world stock markets including Australia, Canada, Germany, France, Italy, Japan, and others. Columns include stock names, prices, and changes.

Table of Canadian stock markets including Toronto and Montreal. Columns include stock names, prices, and changes.

Table titled 'CHIEF LONDON PRICE CHANGES YESTERDAY' showing price changes for various commodities and currencies.

Table titled 'TOKYO - Most Active Stocks' showing trading volumes and price changes for major Japanese stocks.

Table of Japanese stock markets including various indices and individual stock prices.

Table titled 'N. AMERICAN QUARTERLY RESULTS' providing financial data for various North American companies.

Table of stock indices including Dow Jones, Nikkei, and other regional indices.

Advertisement for Financial Times featuring a large illustration of a building and the text 'Rest assured, great hotels carry a great newspaper...the Financial Times'.

Amex struggles to woo back the small investor

THE AMERICAN Stock Exchange rarely makes headlines in the same way as the New York Stock Exchange.

that the small investor is not participating today, we are going to see a bigger decline in activity," Mr Leibler said.

JANET BUSH IN NEW YORK interviews the head of the American Stock Exchange.

On the NYSE, around 70 per cent to 80 per cent of volume is institutional. On the American Stock Exchange the opposite is the case - on an average day between 60 per cent to 70 per cent of activity in shares and options together can be traced to retail investors.

It is for this simple reason that the American Stock Exchange is in the front line of efforts to woo the individual investor back into stock investment.

crash. This move followed similar action by the Chicago Board Options Exchange which will pay out \$1.2m.

The compensation follows complaints by customers, many of whom lost a lot of money, about the prices they were given by market makers and the execution of orders, two aspects highlighted in a critical assessment of the market maker's performance last October in the report by the Securities and Exchange Commission.

The compensation is not being paid by the exchange itself (as in the case of the CBOE) which will make the payment and then claim the money back from its stock index options specialists but is being negotiated on a case-by-case basis by floor options specialists and their customers.

SOUTH AFRICA

LOCAL investors in Johannesburg were heartened by a further rise in bullion and went on a bargain-hunt after recent falls, but foreign investors remained cautious and largely absent.

week, R1.25 to R34.75. Southwail added R3 to R117, Western Deep R2 to R106 and Kloof R1.50 to R31.50.

Canada

BROAD advances in golds and minings spurred buying in other sectors and lifted share prices in Toronto, although turnover remained light.

In mixed blue chips, Seagram gained C\$4 to C\$38.75, Inc allpied C\$4 to C\$38.4, Northern Telecom, which said it will sell its United Kingdom telecommunications and data systems businesses to STC, advanced C\$4 to C\$23.9.

ASIA

US trade figures sustain buying

Tokyo

THE IMPROVEMENT in US trade data for December helped spark buying interest in Tokyo yesterday, sending share prices sharply higher and pushing the Nikkei average past the 24,000 mark for the first time in about four months.

as leading shares came under heavy profit-taking pressure. Large-capital steel firms, with Kawasaki Steel adding Y3 to Y366 and Nippon Steel up Y1 to Y401, Kawasaki Steel topped the active list with 57.65m shares and Nippon Steel was also actively traded with 12.59m shares changing hands.

On the Osaka Securities Exchange, prices closed up sharply with the 250-issue OSE stock average ending 268.11, higher at 24,647.94 in improved volume. Nintendo soared Y200 to Y9,800.

Australia

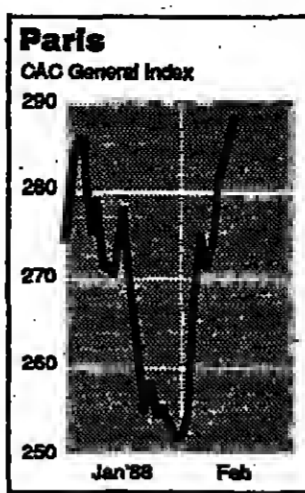
A STRONG undercurrent of caution nudged share prices off their best levels of the day, leaving the All Ordinaries index up 10.8 at 1,211 after an earlier high of 1,217.2.

George Graham on the implications of continued demand for French stocks Paris takeover frenzy begins to sow doubts

THE CONTINUED rise in the Paris stock market has started to worry even the most sober of fund managers.

Can the rise still be viewed as a heaven-sent opportunity to unload equity? Analysts and brokers who were advising their clients to sell two weeks ago, with the CAC index at 261, are finding it harder to give the same advice today, even if they are inwardly convinced the revival is merely a technical bounce.

"Foreign investors had slashed their portfolios during the crash, and clearly they sold the most liquid stocks first. Now if they want to come back they have to go for the blue chips," said Mr John Fordyce of brokers Ferris International.



already," said Mr Bernard Westrup, Accor's managing director. Certainly, the speculation has appeared on occasions excessive. Havas, the recently privatised advertising and communications group, has appeared on some brokers' lists, regardless of the formation of a "hard core" of shareholders who may not sell their holdings for another 18 months, as well as the existence of a "golden share" which gives the Government the right to block any shareholding over 10 per cent for a period of five years.

before and eight in 1985. With four bids now under way or completed, the market is already ahead of itself this year, and it may prove unduly optimistic to expect many more in the near future.

EUROPE

Buying spree lifts Frankfurt to 1988 high

London

ENCOURAGED by better than expected news on UK inflation and a narrower US trade deficit, UK equities posted their fifth straight gain but turnover remained very thin in the absence of institutional interest.

short positions on the final day of the monthly trading account. Finell shares closed up L236 at L2,145 on unconfirmed reports it was in talks to buy Firestone's tyre operations.

ZURICH rose as the US trade deficit data and the stable dollar renewed investors' confidence and triggered buying in blue chip industrials.

Frankfurt

Transport company Nedlloyd surged F1 25.50 to F1 192.50 after its shareholders rejected a controversial restructuring plan, leaving the way open for a possible hostile takeover bid.

back by the market's steady rise this month, concentrated on blue chip stocks such as Peugeot, which rose FFr21 to FFr916, and Michelin, which ended the day unchanged at FFr166.

MADRID remained lethargic and largely ignored the US trade figures. Modest declines in banks, construction issues and chemicals offset minor advances in utilities and foods, leaving the general index down 0.20 to 247.47.

Singapore

TRADING remained very quiet with many institutions staying in the sidelines before the Lunar New Year holiday.

Hong Kong

IN A THIN session before tomorrow's start of the Lunar New Year holiday, the Hang Seng index gained 14.62 to 2,322.87.

Advertisement for the German State Lottery (D-Mark) with the headline 'INCREDIBLE BUT TRUE'. It features a coat of arms logo and text describing the lottery's 205 Million D-Mark prize, guaranteed winners, and contact information for Christian Schippmann.

Table titled 'FT - ACTUARIES WORLD INDICES'. It shows financial data for various countries (Australia, Austria, Belgium, etc.) for Friday February 12 1988 and Thursday February 11 1988. Columns include US Dollar Index, Pound Sterling Index, Local Currency Index, Gross Domestic Product, and US Dollar Index. The table also includes a 'DOLLAR INDEX' section with '1987/88 High' and '1987/88 Low' values.

Handwritten Arabic text: 'سودا من الاصل' (Suda min al-awwal).